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## NEWS SUMMARY

### GENERAL

## Dublin election blow for Haughey

Irish Premier Charles Haughey suffered a setback when his sister-in-law Eileen Lennon failed to win the Dublin West by-election for his Flanna Fail party.

The result raises sharply the prospect of another general election because the Government will still need the support of at least one left-wing MP to secure its majority.

It had been considered an astute move when the Premier persuaded Opposition MP Richard Burke to give up the seat to become an EEC commissioner, Back Page

### Israel jets deal

The U.S. intends to sell Israel an extra 75 advanced F16 jet fighters worth \$2.5bn over the next three years, the Pentagon said, Back Page; Swiss "to buy Israeli arms," Page 6

### Ulster shooting

A police inspector was shot and critically wounded as he sat an exam at Queen's University, Belfast. In Dublin, a 17-year-old youth was shot dead when he answered the front door.

### Birmingham siege

A young couple and their three-month-old daughter were taken hostage by a gunman in a siege which followed a Post Office raid in Bartley Green, Birmingham.

### New KGB chief

Vitaly Fedorchuk, a member of the Ukraine politburo, has been appointed head of the Soviet KGB security police. He succeeds Yuri Andropov, who has been promoted to a Communist Party secretary.

### Reagan man quits

Joseph Churba, a senior U.S. advisor specialising in the Middle East and nuclear arms, resigned from the Arms Control and Disarmament Agency, saying he was disillusioned with the Reagan Administration.

### Kenya reform

The ruling Kenya African National Union party proposed that the country change its constitution and become a one-party state.

### Newspaper blast

Rome offices of the U.S.-owned English language newspaper International Daily News were bombed. A left-wing guerrilla group claimed responsibility.

### Abortion poll

Fewer than one in five Roman Catholics support official church teaching on abortion, according to a Gallup poll published by two abortion reform groups.

### Kidnap cover

Lloyd's insurance underwriters are launching a scheme offering multi-national companies kidnap cover of up to \$25m (£13.5m) on each employee, Page 8

### Film awards

The American film *Missing*, directed by Greek-born Frenchman Costa-Gavras and Turkish film *Yol* shared the Golden Palm award at the Cannes festival.

### Sting stung

Pop star Sting has given up a home in County Galway after receiving a warning letter telling him to "get out."

### Briefly

Four Viking longships have been found by Swedish and Danish marine archaeologists in a bay in south west Sweden.

Deaths in the handicapped children's home fire at Aire-sur-L'Adour reached 21.

Summer football pools record of £1,504,437 was paid to 19 winners on Littlewoods pools.

### BUSINESS

## Gold prices slide 'over'

GOLD PRICES are thought to have bottomed out, London's Consolidated Gold Fields says in its annual review, Page 30

In London gold rose \$2 an ounce to \$330.25. The New York Comex June close was \$324.75 (\$329.2), Page 38

STERLING fell 45 points on the day in London to \$1,800.5. It rose to DM 4.19 (DM 4.1775) FFfr 10.8225 (FFfr 10.815) and was unchanged at SwFr 2.3425. Its trade-weighted index was 89.7 (\$9.5), Page 44

DOLLAR rose to close in London at DM 2.326 (DM 2.315), SwFr 1.966 (SwFr 1.9625) and ¥240.25 (¥240.1). It trade-weighted index was 113.4 (113.3), Page 44

THREE-MONTH Eurodollar rate finished at 14 1/4, compared with 14 1/4 on Tuesday, Page 44

EQUITIES: The FT 30-share index closed unchanged at 580.8 following an uneasy trading session, Page 49

GILTS: The Government Securities Index improved 0.05 to 68.85, Page 43

WALL STREET was down 7.33 at \$27.25 near the close, Page 42

MONOPOLIES Commission said the exclusive franchise system for selling car parts is against the public interest and should stop, Back Page

BRITISH Transport Hotels' managers want to buy all of some of its 29 hotels from the British Rail subsidiary, Back Page

BANK OF ENGLAND deputy governor Christopher McMahon warned international bankers not to overdo caution towards foreign borrowers, Page 8

SOUTH AFRICA'S consumer price index reached a record annual 16.5 per cent in April, Page 3

WEST GERMANY'S high-temperature gas-cooled nuclear reactor faces financial collapse, Back Page

FOUR oil and gas exploration licences have been awarded in East Anglia, S.W. Midlands and the South East, Page 8

CBI reported a pre-tax surplus of £159,000 last year compared with a loss of £374,000 in 1980, Page 9

DE LOREAN'S Belfast car plant was occupied by up to 400 workers aiming to prevent suspension of production, Page 10

BARCLAYS BANK'S second biggest unit wants a 28-hour, four-day week before it will discuss Saturday opening, Page 10

LABOUR PARTY and TUC provisionally agreed that compensation for renationalisation by a Labour Government should be based on the price at which assets were sold, Page 12

TATE & LYLE made pre-tax profits of £15m (£14.4m) for the six months to March 27, Page 28; Lex, Back Page

ALLIED IRISH BANKS improved pre-tax profits to £50.5m (£52.5m) in the year to March 31, Page 28

CAPITAL & COUNTRIES, the property group, lifted taxable revenue to £7.56m (£6.93m) in the year to March 25, Page 30

## DESTROYER AND MERCHANT SHIP SUNK - 24 MEN KILLED

# Task force losses mount

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE BRITISH task force has lost a quarter of the warships which originally sailed last month for the South Atlantic.

Mr John Nott, the Defence Secretary, told the Commons yesterday that HMS Coventry, a Type 42 destroyer, and the Atlantic Conveyor, a merchant vessel used to transport Harrier jump jets and helicopters, had been lost.

Twenty men were killed on the Coventry and four on the Atlantic Conveyor, he said. Another 20 men on the destroyer were injured but the remainder of the 290 crew were safe on board other task force ships.

The Coventry was the same class warship as HMS Sheffield which was lost on May 4. Coventry was apparently bombed to the north of Falkland Sound by Argentine Skyhawk fighters which came in across the land, escaping the warship's radar screen and Sea Dart missiles.

**FALKLANDS WEATHER:** Wind WNW Force 6-8 (25-35 knots); 12-16ft seas. Rather cloudy, rain or sleet. Temp. low-40s. F. OUTLOOK: Wind mainly W Force 6-7 (25-30 knots); 12-16 ft seas. Rain clearing, becoming cooler with showers. Temp. mid-30s F.

Atlantic Conveyor was reported to have been hit to the north-east of the sound by at least one Exocet missile launched from the Super Etendard fighters which hit the Sheffield in the same way three weeks ago.

The merchant vessel was not carrying Harriers at the time, Mr Nott said.

In answer to a question, however he refused to say whether it had been ferrying helicopters to the task force. It was carrying important supplies, he said. These are thought to have included Harrier spare parts.

The loss of HMS Coventry brings the total of warships lost in the Falklands so far to

four - including the Sheffield, and two Type 21 frigates lost at the weekend, HMS Antelope and HMS Ardent.

There were 15 warships listed as being in the task force when Mr Nott gave Parliament details of its composition on April 7.

There were reports yesterday that a Type 2 frigate such as the Broadsword had been hit at the same time as the Coventry, but this was not officially confirmed.

Neither was there news of what had happened to the escort ships with the Atlantic Conveyor. It was reported that the Coventry was near a group of

Continued on Back Page

## UN stops short of ceasefire call

BY PAUL BETTS IN NEW YORK

THE UNITED NATIONS Security Council yesterday approved unanimously a compromise resolution giving Sr Javier Perez de Cuellar, the secretary general, a formal mandate to renew his efforts to find a peaceful solution to the Falklands crisis.

But the secretary general reproached the Security Council for giving him such a difficult task. This is believed to be the first time a secretary general has reproached the Security Council in a public session.

Resolution 505 stops short of calling for an immediate ceasefire, as proposed by Ireland. It is thus unlikely to have any immediate effect on the fighting in the South Atlantic, although it opens the door to eventual peace negotiations.

It asks the secretary general to start immediate negotiations

with Britain and Argentina, to ensure mutually acceptable terms for a ceasefire, including if necessary the sending of UN observers. The secretary general is due to report back to the council within a week.

Sr Perez de Cuellar, told the Security Council he felt obliged "to state that, while I recognise the difficulties encountered by the council in reaching an agreement of this nature, I fear that the terms of reference may not provide a sufficiently clear and precise guidance either to the parties or to myself."

The secretary-general also impressed on the two sides that any solution to the crisis, could be achieved only through negotiation and added: "The first requirement for negotiation is a cessation of armed conflict." He was due to see British and Argentine delegates

at separate meetings later yesterday, signalling the start of his new peace efforts.

Sr Arnaldo Lister, Argentina's delegate, said his government would co-operate with

Falklands Crisis, Page 4  
Falklands resolve undiminished, Page 12  
The hazards that lie ahead, Page 26

the secretary-general and "go into negotiation without pre-condition."

Sr Anthony Parsons, the UK delegate, said a ceasefire would have to be linked to an immediate start on Argentina's withdrawal from the islands.

Sr Nicamor Mendez, the Argentine Foreign Minister, said he would have preferred a resolution that put more pre-

## Worldwide videodisc launch postponed

BY JASON CRISP IN LONDON AND CHRISTOPHER PARKES IN NEW YORK

THE WORLDWIDE launch of the videodisc system in Japan which had been planned for April, the original launch date of October, 1981 was put back for technical reasons.

Thorn EMI, the third main partner backing the VED format of videodisc, said it was delaying the UK launch in September until 1983 because the group wanted a closely coordinated worldwide launch.

The VED system was developed by the Victor Company of Japan (JVC) which also developed the best-selling format of video tape recorder, VHS. JVC, Thorn EMI and GE are partners in an effort to promote the VED videodisc, which is incompatible with RCA's system and Philips' LaserVision. The VED system is also backed by Mitsubishi, Sharp,

Matsushita and Hitachi in Japan. Postponement in Japan was blamed on weak domestic demand for electronic equipment. But it is also thought to have been put off by particularly poor sales of videodisc players in Japan made by Pioneer using the Philips system.

Thorn EMI's disc manufacturing factory at Swindon will still go into production shortly and the company will stockpile discs.

RCA in the U.S., which has invested \$250m (£133m) in its Selectavision videodisc, plans to unveil four new players in the U.S. next week, including two stereo versions. The machines will be in U.S. shops by the end of next month and cost between \$299 and \$450 for

stereo model with remote control.

RCA has sold little more than half the 220,000 players it had hoped to sell since the launch in March last year. However disc sales are booming, says the company. An average of 25 to 30 discs a year have been sold to each purchaser of a player, three times more than expected.

Philips has sold 80,000 videodisc players in the U.S. Videodiscs are cheaper than pre-recorded cassettes, generally have better quality pictures and the Philips and JVC systems have some advanced facilities. But unlike videotape recorders they cannot be used to record broadcast programmes.

Victor launches world's smallest video recorder," Page 3

## Inquiry blames incompetence on Crown Agents £200m loss

BY PAUL CHEESBROUGH

LOSSES OF ABOUT £200m by the Crown Agents between 1967 and 1974 were due almost entirely to incompetence and not to corruption, according to a Home Office tribunal of inquiry, whose report was published yesterday.

Despite being a semi-official body, the Crown Agents acted on its own account during that period in the property and secondary banking sectors, and was found to be dangerously exposed when the economy turned down as a result of the 1973-74 oil crisis.

Its action at that time was a departure from its traditional business of providing services for public sector bodies overseas. The excursion into private ventures on its own account arose from what it saw as a need to build up its reserves.

The tribunal said the Government had been given a clear warning about the Crown Agents' activities in 1969, but

never followed it up. Commenting on relations between the Ministry of Overseas Development, now the Overseas Development Administration, the Treasury and the Bank of England, the tribunal said many meetings were called without a defined purpose.

"The situation cried out for someone to use some common sense, show some initiative and grapple with the problem. But nobody took the lead," the tribunal commented.

Mrs Margaret Thatcher, the Prime Minister, said yesterday that changes made since 1967-74 would be examined to see if they were sufficient.

The Government provided £175m in grants to the Crown Agents. This had been written off. But the Crown Agents has since been incorporated and works towards publicly-stated financial targets engaging in its traditional activities.

Those within the Crown

Agents who caused the losses between 1967 and 1974 have either retired or died. The tribunal said the moving spirit was Mr Alan Challa, director of finance, who had no outside experience of the controls necessary.

The tribunal also censured Sir Claude Hayes, Senior Crown Agent at the time, or his failure to exercise any effective supervision. He was not a suitable person to be in the position, the tribunal said.

The inquiry started in 1978 and its deliberations are believed to have cost about £2.5m. The Fay Committee Details, Page 13

### £ in New York

	May 25	Previous
Spot	\$1,809.8-811.0	\$1,808.0-808.5
1 month	0.17-0.22 pm	0.18-0.24 pm
3 months	0.55-0.62 pm	0.50-0.65 pm
12 months	1.70-1.85 pm	1.60-1.70 pm

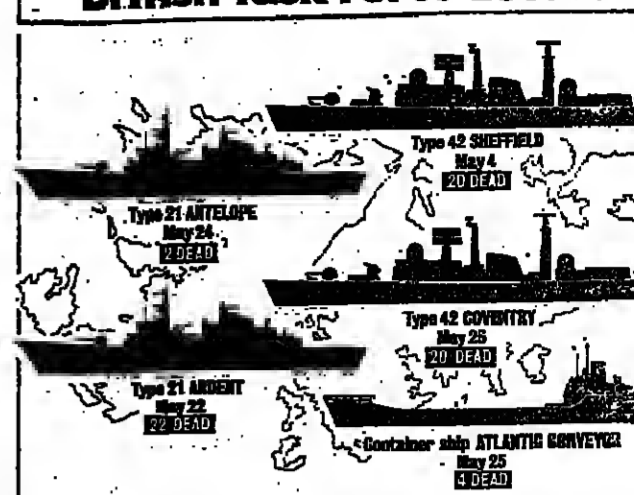
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For latest Share Index phone 01-246 8026

## British Task Force Losses



The loss of two task force ships announced yesterday brings to 100 the number of British personnel killed, with more than 120 injured, in the Falklands conflict. Apart from those lost in attacks on ships the largest number, 21, died when a Sea King helicopter crashed before last Friday's landing on East Falkland. Britain has also confirmed the loss of five Sea Harriers,

and seven large and two small helicopters.

Argentina has confirmed that it has lost 394 dead. Of those, 221 died when the General Belgrano was torpedoed on May 2. No figures have been given for the number of injured. Argentina is estimated to have lost at least 55 aircraft in the fighting so far.

## Support for policy sought by ministers

BY PETER RIDDELL, POLITICAL EDITOR

SENIOR MINISTERS yesterday tried to rally support for their approach to the Falklands crisis after the naval losses of the past few days while resisting calls for an attack on Argentine mainland bases.

Mrs Margaret Thatcher, the Prime Minister, told the Conservative Women's Conference in London that in spite of "grievous losses our resolve is not weakened."

She said: "We know the reality of war. We know its hazards and dangers. We know the formidable task that faces our fighting men. We must expect fresh attacks upon them and there can be no question of pressing the force commander to move forward prematurely."

Mr John Nott, the Defence Secretary, took the same theme in the Commons and said losses had been expected.

He said: "When a setback occurs there is always a danger that it brings in train undue pessimism about the future, just as success sometimes creates needless euphoria. Neither are justified at the present time."

"The only real option we have is to press on for the victory which will make their supreme sacrifice worthwhile."

All the signs at Westminster last night were that this approach matched the mood of most Tory backbenchers. They are generally resigned to losses and some are surprised these have not been greater. They believe that the Task Force should press on to retake the islands.

This view was reflected in the comment of Sir Paul Bryan, MP for Howden, who urged the Government to "keep its nerve

and resolution."

MPs worried about the length of the conflict and the scale of the losses kept their doubts generally to themselves.

A later private meeting of the Tory back bench defence committee was apparently low-key as Mr Nott explained the background and reaffirmed the "don't panic" line.

There were Commons calls from a handful of right-wing MPs for a direct attack on military targets on the Argentine mainland. Mr Nott said he was not sure this would shorten hostilities and doubted the feasibility of the suggestions.

He said there were no simple military means of attacking Argentine airfields. He would not rule out such action absolutely but said this was his best judgment at present.

Throughout the conflict senior Ministers have resisted proposals for bombing mainland airfields, because of the military difficulties—the likely dispersal of aircraft—the political dangers of increasing international criticism and, particularly, possible opposition from the U.S. Administration.

The Labour Opposition was subdued generally in its comments yesterday, though pressing for the door to be left open for negotiations, apart from renewed sharp criticism from the sizable minority opposed to the Task Force.

The Social Democrat-Liberal Alliance is also keen to ensure the option on negotiations should not be closed. Dr David Owen said that while any ceasefire should be dependent on a total withdrawal of Argentine troops, efforts should be pursued to secure a negotiated settlement.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		FALLS	
Capital & Counties	121 + 4	Pr. of Wales Hotels	61 + 4
Carr (John)	90 + 7	Rubertid	165 + 8
Erskine House	47 + 3	Sunrise	55 + 6
GBC	908 + 8	Vogues	185 + 10
Gomme	35 + 6	Woodward (H.)	38 + 6
Hawker Siddeley	332 + 8	Carless-Capel	181 + 6
Kraft Productions	20 + 12	Candeca	229 + 9
Minster Assets	83 + 5	Marinex	118 + 8
North (M.F.)	38 + 4	Avon Rubber	97 - 4
Parker-Knoll A.	145 + 4	Midland Bank	320 - 6
Plessey	440 + 7	Anglo-Vaal	117 - 1
Powell Duffryn	332 + 5	Trans. Const. Land	117 - 1

## How many places do you know where local industry leads the World?

In the field of Technology, the achievements of Swindon-based enterprise is phenomenal. Companies such as Plessey, Logica VTS, Roussel, Raychem, Intel and Square D are rapidly changing the World. They're also changing Swindon. And it's no coincidence. As a Technology base, Swindon offers the perfect environment and location. London 50 minutes by train. The M4 on your doorstep. Heathrow faster than from London's centre. Guaranteed housing for key personnel. Full start-up assistance and introduction to funders: A large, underemployed workforce. Training facilities geared to future needs. Wiltshire's outstanding quality of life. Office and factory premises, including purpose built 'high-tech' developments.

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EUROPEAN NEWS

COMMISSION CALL ON MEMBERSHIP TALKS

Tough EEC line urged with Spain

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission is urging EEC governments to take a tough bargaining position in enlargement negotiations with Spain next month and to insist on only a five-year transition period for the full dismantlement of tariffs on industrial imports from the Community.

This would affect about 29 categories of products, including lorries, cars, electric motors, refrigerators, and toys. As far as quantitative restrictions are concerned, the Commission recommends a maximum of three years before most products whose imports are limited this way should be allowed to enter Spain freely.

Eanes intervenes in labour dispute

By Diana Smith in Lisbon

THE Portuguese President has intervened in a labour conflict that has kept one of the country's main pottery, sanitary ware and tile factories under virtual stegg by Communist trade unionists since March.



Mr Robert Mugabe, the Zimbabwe Prime Minister (left), arrived yesterday for a two-day visit to Belgium. He was met at the airport by his Belgian counterpart, Mr Wilfried Martens (right).

Italy and Libya close to settling trade dispute

BY RUPERT CORNWELL IN ROME

THE ITALO-Libyan dispute over trade between the two countries appears to be close to settlement. Rome has agreed to step up its purchases of Libyan oil, while the Tripoli Government has undertaken to meet at least part of the outstanding credits due to Italian suppliers.

The excessive cost of Libyan crude, at around \$35 per barrel, meant that ENI and its subsidiary Agip had cut back sharply on purchases since the second half of 1981. The new understanding—assuming it is put into effect—would, therefore, seem to be an important success for Rome.

Turkey, Iraq to discuss border security

By Mezin Munir in Ankara

TURKISH and Iraqi officials are to discuss measures to increase security at their joint border post at Habur, which handles about 4,000 lorries daily, and which was shelled by mortars three days ago.

Dutch coalition 'faces tough economic task'

BY WALTER ELLIS IN AMSTERDAM

THE PROVISIONAL Dutch Government of Mr Dries van Agt, agreed in principle on Tuesday night, faces a tough task this year if it is to check the worsening public sector deficit by 1983, Pierson Heiding and Pierson, the Netherlands' leading wholesale bankers, warned yesterday.

Timing of the 1983 budget and the influence of the Liberals on cabinet policy. In both instances, economic planning is the key to a lasting deal. Pierson believes that the only way out of the deadlock in the Netherlands is a shift in domestic spending from consumption towards investment.

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Anthony Robinson in Moscow examines the Soviet attempt to rectify the failures of its agro-industrial sector

Brezhnev points hopefully towards greener pastures

By Leslie Collett in Berlin

THE "SOVIET food programme" outlined by President Leonid Brezhnev at a plenary session of the Communist party central committee this week, reveals that "guns or butter" dilemma is now more acute than ever. It reflects a realisation by the Soviet leadership that the failure to guarantee steady supplies has outweighed the foodstuffs to the now mainly urbanised population.

people would be well off. Perhaps they are. But they don't feel it, and Mr Brezhnev knows it. Hence the plenary session of the central committee. First the good news. During the next five-year plan starting in 1986, the proportion of investment going to the agricultural sector will be raised from 27 per cent in the current plan to around 33 per cent. By 1990, Soviet farmers should be producing (and bringing to market) more than 250m tons of grain and 20m tons of meat a year, plus higher yields of vegetables, dairy products and other food items.



Mr Brezhnev... food programme outlined.

Responsibility for co-ordinating the entire agro-industrial complex in a given region will be devolved away from the multitude of distant Ministries in Moscow down to the raion. At the same time, the re-organisation is also designed to improve co-ordination between all the elements in the food chain, both between those who supply seed, fertiliser and machines to the farmers, and those whose job is to buy, transport, store, process and market these products.

Controls on E. German economy tightened

By Leslie Collett in Berlin

CENTRAL CONTROL over the East German economy has been strengthened in recent months by a flood of decrees stipulating that the planning commission, the Council of Ministers, and the national bank are to ensure rigid adherence to state directives by factories and industrial trusts.

NOTICE To the Holders of Saxon Industries, Inc. 5% Convertible Subordinated Debentures Due 1987

Citibank, N.A. (formerly First National City Bank), as Trustee (the "Trustee"), under an Indenture dated as of November 1, 1972, as supplemented (the "Indenture"), between Saxon Industries, Inc. (the "Company") and the Trustee pursuant to which the 5% Convertible Subordinated Debentures due 1987 (the "Debentures") were issued, is giving this notice in compliance with the requirement contained in the Indenture that the Trustee shall, by publication give notice of defaults under the Indenture known to the Trustee.

Poland renews call to reschedule its debts

BY CHRISTOPHER BOBINSKI IN WARSAW

SENIOR POLISH government officials have renewed their call for a negotiated rescheduling of the country's hard currency debts, officially set at \$24.7bn at the end of April.

Warsaw warned against reviving Solidarity

BY OUR BERLIN CORRESPONDENT

EAST GERMANY has warned Poland against reviving the Solidarity union movement in any form at a meeting of Polish and East German central committee advisers in East Berlin. The meeting took the form of a symposium to discuss the theoretical-sounding subject of "anarchosyndicalism" in the East German and Polish labour movements.

Poland renews call to reschedule its debts

BY CHRISTOPHER BOBINSKI IN WARSAW

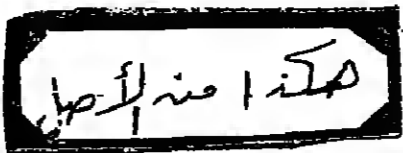
THE refusal of Western government officials to resume talks on rescheduling the \$2.2bn owed them this year but he said that talks with banks were continuing. Western banking officials pointed out that such talks have so far been informal.

subject of returning our economy to a healthy state." He also revealed that Poland had imported \$640m worth of goods on credit, mainly grain from Canada and France, during the first four months of this year.

Warsaw warned against reviving Solidarity

BY OUR BERLIN CORRESPONDENT

THE East Germans at the symposium told the Poles that any Communist government permitted an anarchosyndicalist workers' movement to gain control of a trade union was acting in an "anti-Marxist-Leninist" manner. This is precisely the charge which East Germany levelled at the Polish Communist leadership after the founding of the Solidarity union.



# Japan's output falling after brief revival

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S industrial production, which fell for four months running before rising by 1.4 per cent in March, has now started falling again, the Government announced yesterday.

The April index for industrial production was 0.9 per cent below the March level and 1.5 per cent below the level of October last year. On a year-to-year basis, however, the index still shows a rise of 2.8 per cent.

The Ministry of International Trade and Industry which compiles the industrial production figures, expects a further 1.8 per cent decline in the index in May followed by a 1.6 per cent recovery in June. This would mean an average monthly fall in production of 0.9 per cent during the second quarter of 1982 compared with the average fall of 1 per cent during the first quarter.

The dismal recent performance of Japan's industrial production index is put down to the sudden downturn of exports

which had been providing the main thrust for the economy's growth up to last autumn. A sharp decline in export orders left many industries with unexpectedly large inventories. This led to production cut-backs.

The low level of industrial output along with other indications of slackness, has set off a debate in Japan about whether to reflate the economy. The business community opposes reflation on the grounds that any increase in public spending would tend to undermine the effectiveness of current efforts at administrative reform.

An increasing number of voices in the Government are now arguing that some steps should be taken to breathe life into the economy.

The measure so far taken by the Government was an announcement that 77.3 per cent of public works spending scheduled for the current fiscal year, April 1982 to March 1983 would be completed during the first six months.

# Victor launches 'world's smallest video recorder'

BY RICHARD HANSON IN TOKYO

VICTOR of Japan (JVC), the originator of the VHS system for video tape recorders, announced plans yesterday to market what it claimed is the world's smallest video tape recorder, a 2kg machine just over a third of the size of standard portable machines.

The HR-C3 uses the same 1/2-in tape as the normal machine of the JVC VHS format but in a smaller cassette. The new machine has 20-minute playing time, compared with two hours for standard Victor recorders, but the company believes that its lightness will make possible a wide range of uses which are beyond the scope of standard VHS recorders.

One suggested use is the filming of maps and travel "software" for use on car journeys.

The HR-C3's small-size cassette can be fitted into a large size VHS recorder.

JVC expects other members of the VHS "family" in Japan, such as Hitachi, Matsushita, Sharp and Mitsubishi, to start producing their own versions of the HR-C3 soon.

The price for the HR-C3 in Japan is ¥159,000 (£369), about ¥40,000 less than that of JVC's smallest existing portable tape recorder. Victor says it plans to start exports to the U.S. later this year.

AFDJ adds: Hitachi said yesterday that it is planning to more than double production of the 64K Ram chip to 2.2m units a month by the end of this year. It had decided to bolster production because of brisk demand at home and overseas.

# S. African inflation at record level

By J. D. F. Jones in Johannesburg

GLOOMY WARNINGS by South African forecasters and economists of a sustained economic downturn into 1984 have been reinforced by the news that the country's consumer price index has risen by a record 16.5 per cent.

This figure, for the 12 months to the end of April, is the highest inflation rate since 1920. The Department of Statistics adjusts this figure to 17.2 per cent for upper incomes and 15.1 per cent for "lower earners" (blacks).

There is no reason to expect the rate to decline in the near future. A number of Government-controlled price increases are still either working through the system (such as bread and food prices) or are expected shortly (milk).

Economists are also worried that this South African trend is worsening at a time when the inflation rate in the country's principal trading partners is improving.

The plight of the balance of payments is still causing concern, with exports falling to record levels.

Last year the republic ran a balance of payments deficit of R3.9bn. In an interview, the Governor of the Reserve Bank, Dr Gerhard de Kock, recently estimated that the payments deficit in the first quarter of this year was running at an annual rate of R6bn, though he expected this figure to fall back sharply as the year proceeded.

The South African Foreign Trade Organisation recently forecast a 15 per cent rise in imports in 1982, a 3 per cent rise in exports and a consequent annual deficit of R3.5bn. The organisation pointed out that both these predictions took account of the substantially lower exchange value of the rand, which would be the principal reason for the recovery in export earnings rather than export volumes.

The reserve bank is allowing the rand to continue its steep depreciation against the dollar, the rand has fallen nearly 30 per cent against the dollar in the past 18 months.

# Struggle for life among Vietnam's dead heroes

THE SOVIET-BUILT Sukhoy airliner, distinguished by its red flag and single gold star, is parked at the extreme end of Bangkok airport. Its isolation underscores the fact that this once-weekly flight from Thailand to Hanoi, capital of Vietnam, is exceptional.

There is a subdued air of excitement on board as we taxi across the main runway to pick up 12 Vietnamese airman whose aircraft crash-landed in mysterious circumstances on Thailand's border with Kampuchea four months ago.

The airman are going home after weeks of interrogation, seen off by boards of photographers and unsmiling Thai officials. It is a vivid reminder of Hanoi's uneasy relationship with its neighbours for whom Vietnam, with its 200,000 troops in Kampuchea and 40,000 more in Laos, is the enfant terrible of South-East Asia.

On board, the twelve, beside themselves with joy, are given a hero's welcome. A Vietnamese official, tearing down his face, embraces each one. It is a rare glimpse of private joy.

At Hanoi airport, they are met by a small contingent of air force personnel in baggy uniforms carrying bouquets of flowers. There is something intimate, like a family homecoming, about the occasion.

Hanoi airport is a sample of the country's isolation after more than three decades of war. A single building set amid empty fields. One Soviet airliner sits on the tarmac and a few dozen airport personnel silently meander around on bicycles.

Formalities are quick, courteous and simple. There are less than 1,000 foreign travellers in Vietnam at any one time. If you have been allowed in, it is assumed you have been thoroughly vetted.

The single iron bridge which crosses the Red River to Hanoi still bears the scars of high altitude bombing by American B-52s, its twisted girders black with rust. The bridge is a great jewel. A senior Soviet official's car, stuck between a

Since the end of the war in Vietnam in 1975, the country has generally fought shy of the international spotlight. While attempting to reconstruct its war-scattered economy, Vietnam has also had to support, probably with Soviet aid, a costly army of 200,000 men in neighbouring Kampuchea.

Alain Cass, on a first visit to Vietnam, records his early impressions from the capital, Hanoi.



pictures of dead heroes, reminders of the ever-present war. At the Security Office, where foreigners go to be registered, there are three portraits. One who died in 1966 in South Vietnam, the other in the war with China, the third more recently in Kampuchea.

Nobody seems to know just how many Vietnamese have died in the past 30 years. One estimate put the number of dead and wounded at 15m, but an official told me: "Frankly, we have not counted. But every family has lost someone and the number of orphans are countless, countless." This is borne out by driving through the countryside, where every few miles there is a monument surrounded by small grave-stones with a red star in the middle.

War, and more recently, economic sanctions, have bitten deep. Daily life is a struggle and feeding oneself is the major preoccupation. Most shops are virtually bare. You never see a fat Vietnamese.

Subsidised food — a few kilos of rice per month, one kilo of beef, half a kilo of sugar — is usually reserved for officials with fixed salaries. It is in desperately short supply. The balance is made up in the free market, which the Government tolerates, but prices there are up to ten times the official ones. A kilo of meat, perhaps 4 Dong in Government shops sells for between 50 and 60 Dong on the free market. A chicken, a rare prize, can cost twice that.

And yet luxuries change hands even here in the North: a motorcycle is somehow imported by "a friend of a friend" through Haiphong Harbour. How? "People trade," says a foreign student who speaks Vietnamese and who has lived there for two years. "They get their relatives abroad to send them goods which they sell. If they are lucky, and work in a city store, they buy there and sell on the free market. They have to live, after all."

military lorry and an oxen cart crawling across, is overtaken by pedestrians and an endless stream of cyclists. An invading army trying to take the capital without a pothole would grind to a halt just here.

My guide, Mr Thuan, tells me they are building two more bridges, one with the help of the Soviets who took over when the Chinese pulled out after their invasion of Vietnam in 1979.

Mr Thuan is a genial sort. He works for the foreign ministry, learnt his English in New Zealand and smiles a lot. He is the proud owner of a French motorcycle which cost him the princely sum of \$600 (£330) on his salary of 180 Dong a month (\$14). This is a small miracle of thrift.

He spent the war with the U.S. in the South, fighting for three years. He was wounded and was pulled out. "Sometimes," he says, "I thought I would not survive and today I wonder whether I could go through all that again."

There are no private cars in Hanoi, other than those used by foreigners and the handful of officials who drive Soviet limousines. Petrol is scarce and tightly rationed. Internal

flights have to be cancelled quite often because of sudden fuel shortages.

Last year the Soviet Union, which supplies Vietnam with 1.6m tonnes of oil a year, upped the price by 200 per cent — not a popular move. There are a few 30-year-old taxis, some buses, but people mostly use bicycles and even they are privileged. A two-wheeler costs around 1,000 Dong or eight months' wages for most officials.

Hanoi, the former capital of French Tonkin, is a present from a colonial downfall. Large elegant villas decay in the sweltering heat of summer. The streets are wide and full of trees dotted with purple bougainvillea. Here and there the wreck of a downed U.S. bomber is displayed in the front garden. One official received me on armchairs fashioned out of the remains of a B-52.

Everywhere there are men in khaki, wearing the jungle green pith helmet with red star which, during the "American war," came to symbolise the Vietcong guerrillas.

The Vietnamese, outwardly at least, seem the most relaxed warrior race in the world. The Hanoians are fond of sitting in the tiny parks, of late, long hair has begun to make an appearance. Abba t-shirts manufactured in one of the hundred back-street shops of the Chinese quarter, flash past on bicycles. Since the capture of Saigon seven years ago, Communism going South has crossed Western decadence going North.

In the back streets, not far from the huge mausoleum which houses the remains of Ho Che Minh, father of Vietnamese Communism, a small Buddhist temple is crammed with worshippers burning incense. A huge alabaster bust of Uncle Ho decorates the front altar. The nasal chant is occasionally drowned by rock music from a nearby shop.

At six in the evening, the Catholic cathedral is full of the faithful. The Cardinal sits in a front pew. Religion, traditionally a powerful force in Vietnam, is tolerated but not encouraged. A priest tells me: "We have 20,000 Catholics in Hanoi, 100,000 in North Vietnam. The problem is priests. Since 1954, we have only been allowed to ordain 10 priests in Hanoi. Normally," he meant before Communists took over, "it would have been 10 a year. Everywhere there are

# HK authorities may buy Deep Bay site

HONG KONG'S Government is considering buying from a Chinese-led consortium 53m square feet at Deep Bay in the north-west New Territories Robert Cottrell reports.

A spokesman said yesterday that the issue was still under discussion.

The land, at Tin Shui Wai, is owned by a consortium comprising the Peking-controlled China Resources with a 51 per cent stake, locally-quoted companies, Trafalgar Housing and Cheung Kong, with 25 per cent and 12.5 per cent respectively, and 11.5 per cent held by other parties.

# Mauroy makes solidarity visit to Beirut

FRANCE'S Prime Minister, M Pierre Mauroy, flew to Beirut yesterday to demonstrate his Government's support for the French community in Lebanon.

Reuter reports from Paris: The unexpected visit follows a bomb blast at the French embassy in Beirut on Monday, in which 11 people died and 30 were wounded.

The bomb blast was the latest in a series of attacks against French targets in Lebanon that began with the assassination of the French ambassador, M Louis Delamare, in September last year.

French officials have said they believe there could be direct or indirect Syrian involvement in the attacks. Syria is believed to be angry at French policy in Lebanon and President Mitterrand's moves to improve relations with Israel.

M Claude Cheysson, France's Foreign Minister, told reporters after a Cabinet meeting yesterday that the Prime Minister had already left for the Middle East. "He is going there to show the solidarity of the whole French Government."

# Whites leave Namibia at increased rate

By Our Johannesburg Correspondent

A DRAMATIC and politically significant fall in the white population of Namibia (South West Africa) is confirmed in figures released in Windhoek as part of the territory's budget.

The Namibian population rose to 1,099,000 in 1981; out of which the number of whites plunged by one-third from an estimated 113,000 to 75,000—a decline in the proportion of the total from 11.4 per cent to 7.4 per cent.

At the same time the Ovambo population rose to 517,000, 51 per cent of the total.

It has been suggested in Windhoek for some months that the mysteriously-delayed results of the 1981 census would show a white withdrawal.

The size of the decline, however, will send both local and foreign observers to their calculators in work out the implications of this shift for an independence election.

# 40,000 Iraqi PoWs

Iran announced yesterday that it was holding more than 40,000 Iraqi prisoners of war in military camps throughout the country. Reuter reports.

Some 3,000 arrived in Tehran yesterday by train from the southern province of Khuzestan. They were said to be the first of 12,000 captured in the retaking of Kharran-shahr three days ago.

# THE INDIAN BY-ELECTIONS Mrs Gandhi's image is tarnished

By K. K. SHARMA IN NEW DELHI

IN THE sprawling Himalayan parliamentary constituency of Garhwal in Uttar Pradesh, huge posters showing an open palm are still displayed on the picturesque hillsides. Large letters in Hindi urge "Vote for Mrs Gandhi."

The open palm is the logo of the Prime Minister's Congress (I) Party and the message is more than symbolic. By opting for Mrs Gandhi's safe hand, the voter is being encouraged to strengthen her personally.

The parliamentary by-election in Garhwal was important because it was a battle for prestige. Pitted against Mrs Gandhi's nominee was Mr H. N. Bahuguna, the only Indian politician who has twice deserted the Prime Minister's party and immediately resigned his seat in Parliament on the grounds that his defection disqualified him from representing his constituency unless re-elected.

In the hustings that preceded polling last week, Mrs Gandhi and her son and heir-apparent, Rajiv, toured the Garhwal constituency for two days each, spending almost as much time there as they did in each of the four states where elections to legislatures were held.

Both repeatedly sought votes not for the candidate but for Mrs Gandhi. Not once was the local Congress(I) candidate—a prominent Minister in the Uttar Pradesh Government—mentioned. His name was on no poster. He sought no vote for himself keeping a low profile.

The Congress (I) lost the Garhwal by-election, as it did four of the seven by-elections held to parliament last week. This was uniformly interpreted as a personal blow to Mrs Gandhi, as indeed it was, even though the Congress (I) retains its two-thirds majority in parliament.

Following the state election in Kerala, Congress (I) will form the government in alliance with local parties. Since Kerala has traditionally been a Communist bastion, this is considered a major gain for the Prime Minister, although the coalition her party leads is extremely fragile.

But in the northern states of Haryana and Himachal Pradesh, no party has won an absolute majority and the personalised style of politics is evident in the fierce struggle to gain the support of the large number of independents who could yet swing the balance either way.

Mrs Gandhi's nominees have been quickly sworn in as chief ministers of both states, but they will soon have to test their strength in the legislatures—hence the virtually open offers being made to the independents both by Mrs Gandhi's supporters and her opponents.

Only in the eastern state of West Bengal has the verdict been clear. The Left-wing front led by the ruling Marxists has easily won a two-thirds majority and will be in power again for another five years.

Mrs Gandhi's charisma was tarnished in the north and worked, after a fashion, in Kerala, but it was eclipsed in West Bengal.

Mrs Gandhi has admitted to not being "entirely satisfied" with the results and acknowledged that policies had little to do with the elections. She has reason to be worried, as does her party in the long-term.

Two opposition parties have entrenched themselves not on the basis of the personal appeal of their leaders but because of solid grassroots organisation and policies.

The Marxists have proved they hold a "fortress" in West Bengal despite some important losses in Calcutta, and the emergence in the North of the Bharatiya Janata Party, the successor to the Hindu nationalist Jana Sangh which ostensibly merged itself with the Janata Party in 1977 when Mrs Gandhi was banded out of power for three years, is an important development.

The party has emerged in Himachal almost as powerful as the Congress (I), and made a significant debut in Haryana in alliance with the Lok Dal, the farmers' party. This revival is apparently also the result of painstaking effort by its leaders at grassroots level.

# THE ALTERNATIVE TO CASH FLOW PROBLEMS: GETTING TO KNOW THE 'INS' AND 'OUTS'

To produce goods you have to pay for components, wages, rent, lighting, heating and so on. But you won't normally receive payment for the goods until some time after delivery. So controlling the timing of payments flowing in and out is of the utmost importance in order to maintain liquidity and pay your bills when due — whatever the size of your business.

Predicting and then monitoring your cash flow is a relatively straightforward operation if you use a cash flow chart (see below) in which you itemise all your estimated receipts and payments over, say, a 12-month period. You can't always be sure a particular customer will pay a bill in a particular month, of course, but past experience should enable you to make a reasonably accurate forecast. And by comparing your estimates with the actual figures as they come in, you can adjust your subsequent projections to get increasing accuracy.

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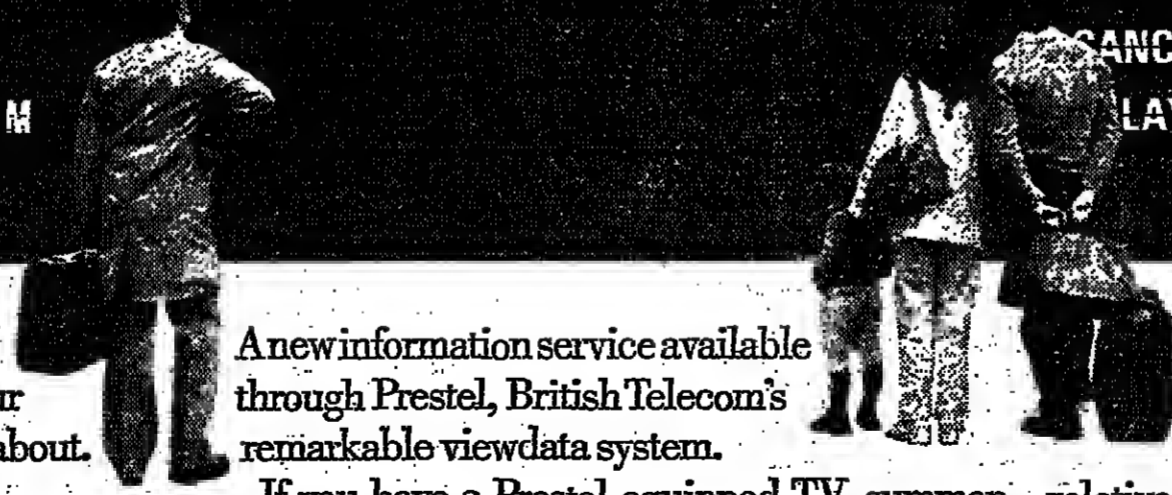
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# Learn the bad news in your lounge, not ours.

Flight	Time From	Information
JK071	17:45 AMSTERDAM	CANCELLED
FF293	18:05 PARIS	CANCELLED
SZ0481	18:10 EDINBURGH	DELAYED TO 18:40
CG722	18:15 DALLAS/F. WORTH	DELAYED TO 20:15
ES600	18:25 BRUSSELS	CANCELLED
PN491	18:30 MADRID	CANCELLED
JH233	18:40 SINGAPORE	DELAYED TO 19:50
PN907	18:45 PALMA	DELAYED TO 19:30
CZ161	18:55 MOSCOW	CANCELLED
KV282	19:15 STOCKHOLM	DELAYED TO 20:00

will exit from Customs  
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You are sure to miss your first meeting.

You are bound to be late for your second and your third.

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to reschedule business meetings. Give you a chance to tell your hotel you'll be arriving late. And give you time to phone friends or

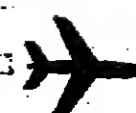
relatives who are planning to meet your flight.

SkyGuide is also useful when you have to meet people at an airport yourself; it contains arrival, as well as departure details.

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WORLD TRADE NEWS

# Japan to approve measures for trade liberalisation

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

A COMPREHENSIVE trade liberalisation package featuring reduction or abolition of tariffs and enlargement of farm import quotas will be formally approved by Japan's economic cabinet tomorrow.

The tariff cuts may cover as many as 50 manufactured items including machine tools, computers, chocolate and confectionery and possibly brandy.

Items to be included in the farm import liberalisation programme were discussed during two days of talks in Washington early this week but are expected to include pineapples, processed pork and tomato juice.

The package will not abolish any of the existing "residual" import quotas on farm products and will not apparently do anything for beef or oranges—two items on which negotiations between Japan and the U.S. are due to start later this year.

The measures are timed to precede the Versailles economic summit between June 4 and June 6, where the Government hopes they may help to deflect explicit criticism of Japan.

Apart from the sections dealing with tariffs and quotas, the package seems likely to contain at least six other sections dealing with matters such as inspection procedures, services, the Japanese distribution system and technology exchange.

However, Japan will accept a

U.S.—and European—demand that foreign businessmen or officials should be allowed to participate in discussions on any future changes in import standards.

The package will include a statement explicitly encouraging investment in Japanese service industries. It may also announce a plan for the opening of an information "window" to assist would-be investors.

A final wrap-up section of the package is expected to include a reaffirmation of the promise not to engage in "heavy rain" exporting of manufactured goods to Western markets and of Japan's desire to encourage a two-way exchange of manufacturing investment.

In response to heavy U.S. pressure for better access to the Japanese cigarette market there will be an announcement of an increase in the number of shops allowed to handle foreign cigarettes.

The measures to be announced tomorrow will be Japan's second attempt this year to placate Western trading partners by lifting import barriers.

In its first attempt, in February, Tokyo adopted revisions in 67 import regulations to liberalise customs procedures, documentation, and import inspections.

# France and Spain share contract in Indonesia

By Richard Cowper in Jakarta

A FRANCO-SPANISH consortium has won the contract to build a \$800m (£444m) extension to the Indonesian Government's giant Krakatau steel complex in Cilegon, West Java.

The plant, a steel cold rolling mill, will be owned and operated by a joint venture between the Indonesian Government and two private Indonesian companies.

A spokesman for the French embassy in Jakarta said that a consortium led by Creusot Loire of France won the Turkish construction contract in the face of fierce competition from a group of Japanese companies.

He said that the primary contractors would be Secim and Clesid, both of which are engineering and manufacturing subsidiaries of the French steel company.

Two Spanish engineering companies, Centurion and Techales Reunidas would make up the rest of the consortium.

An extremely competitive financial package is understood to have been one of the major reasons for the European consortium's success.

French export credits at 7.5 per cent per annum over 10 years are likely to amount to approaching \$270m with another \$100m being provided by Spain on similar terms.

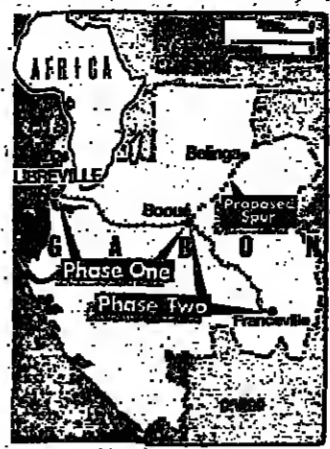
The balance is expected to come from a syndicated commercial loan of around \$200m and an equity of \$240m from the three shareholders.

The plant will be 40 per cent owned by Krakatau Steel around 41 per cent by the Lem group and the rest by Ciputra, a privately-owned Indonesian construction company.

The Indonesian Ministry for Industry says that the plant will have a capacity of around 600,000 tonnes of steel products per annum and is aimed at helping to make Indonesia self-sufficient.

# UK helps Gabonese railway to press ahead

BY MARK WEBSTER



THIS ROUTE of the trans-Gabon railway cuts a gaping swathe through the dense forests of the West African interior. Giant earth-moving equipment has hewn a path through the trees, laying bare the red-brown earth of the forest floor on which the tracks are being laid.

Millions of tonnes of rock have been blasted and dozens of bridges span the rivers. One day, the railway will link the distant corners of the country at Libreville and Franceville.

Much as expected, Eurotrag, the consortium of 18 European companies looks set to win a contract for the second phase of the railway between Booue and Franceville. For the first time, two British civil engineering companies, Taylor Woodrow and Wimpey will be represented in the CFA188bn (£308m) contract.

The consortium has signed a protocol agreement with the Gabonese Government and the deadline for the final contract is September 15. It is a major breakthrough for the two British companies—while they have 22.5 per cent of the consortium—into the Gabonese market, traditionally dominated by the French, the former colonial power.

The Trans-Gabon railway is an awesome project in its scale and in the complexity of the civil engineering work needed to tame the inhospitable landscape. The cost of the first phase has multiplied many times since the first serious plans came off the drawing board.

But in spite of the immense difficulties, the delays and the cost over-runs, the first trains are expected to make their way at 120 kph along the completed 682 km of track in August 1987.

When it looked as though the railway might go ahead with World Bank support in 1968, the cost was put at \$150m (£85m). But the bank had second thoughts and alternative funds had to be found from commercial sources so that work could start in 1972. It was the personal insistence of Mr Omar Bongo, Gabon's President which pushed the project along as costs soared.

By 1979, with the work well behind schedule, the cost had already reached nearly \$1bn even though only the first 180 km of the proposed 390 km had been inaugurated. The difficulties led to some acrimonious exchanges between the Government and the Eurotrag consortium, which

during the first phase had no British participation.

According to Eurotrag, the problems were largely the fault of inadequate advance studies of the terrain. Under the arrangements for phase one, French contractors had a majority participation while West German, Italian, Belgian and Dutch companies each had smaller shares. The new British share has been achieved at the expense of the French.

M Jean Ammasson, who was project manager for most of the first phase, explained that initial studies indicated that it would be necessary to shift some 47m

cu metres of rock to complete the entire railway. By the time the work gangs reach Booue, more than 54m-cu metres will have been blasted from the rocks. A further 33m-cu metres stands between Booue and Franceville.

The original contract was linked to the quantity of rock to be moved. As amounts went over estimate, so did the cost. But Eurotrag does not accept all the blame for the long delays in completing phase one, pointing out that the cash crisis which hit the Gabonese economy in 1978 severely affected the Government's ability to pay for the work.

Eurotrag's response was a radical reduction in its 5,000-strong workforce, which reduced its ability to move earth from 1m tonnes a month to less than 500,000 tonnes. The general agreement between the Government and contractors was that quality should not suffer and the railway is some of the finest and most expensive engineering on the continent.

To carry out the work, Eurotrag has created its own towns and hospitals, schools, supermarkets and housing. It has in Gabon 250 cars, 220 lorries and 250 assorted heavy earthmoving vehicles worth an estimated

CFA 17bn. Nearly 300 European workers inhabit the four bases which have been built.

M Ammasson did not expect the same sort of problems during the second phase of the railway because the ground-work had been more thorough and the consortium was more familiar with the terrain. Nonetheless, it is little secret in Gabonese diplomatic circles that Mr Bongo wished to see the British join the consortium and will expect them to keep a firm eye on cost escalations.

If, as is hoped, the railway does reach Franceville in 1987, the Government will then decide whether to build a spur from Booue to the huge iron ore deposits at Belinga.

In the meantime, the railway is expected to play a major part in helping to exploit Gabon's vast timber resources and will transport manganese from deposits near Franceville.

Although the Government has been alarmed at cost over-runs in the past, the trans-Gabon railway has become a symbol of national unity for a country with negligible infrastructure for its size. And as the Gabonese economy recovers from its 1978-80 recession, work will certainly press ahead much faster.

# Textile trade 'undermined'

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

FAIR TRADING within the European Community had been rapidly undermined as a result of increased government assistance to the textile and clothing industries, Mr J. Alan Clough, president of the Confederation of British Wool Textiles, said in London yesterday.

The British industry, by comparison, was having to operate in an economic and industrial environment much less favourable than that enjoyed by its continental competitors.

Belgium was making £90m available over five years to increase the turnover of existing concerns without increasing capacity.

The Dutch were making £5.8m available over two years with grants for new equipment, the installation of equipment and modification to buildings.

# Airlines urged to return to 'realistic fares'

By Michael Donne, Aerospace Correspondent

THE NEED for world airlines to return to an era of "realistic fares" was emphasised in Los Angeles yesterday by Mr Adam Thomson, chairman of British Caledonian. Without fares rises, the industry was "teetering on the edge of disaster."

Mr Thomson, addressing the British American Chamber of Commerce on the occasion of the start of British Caledonian's regular service from Gatwick to Los Angeles, said that unless realistic fares were introduced, government-subsidised airlines would blanket international routes at the expense of private airlines.

The balance is expected to come from a syndicated commercial loan of around \$200m and an equity of \$240m from the three shareholders.

The plant will be 40 per cent owned by Krakatau Steel around 41 per cent by the Lem group and the rest by Ciputra, a privately-owned Indonesian construction company.

The Indonesian Ministry for Industry says that the plant will have a capacity of around 600,000 tonnes of steel products per annum and is aimed at helping to make Indonesia self-sufficient.

# Storm brewing over U.S. subway deal

BY DAVID LASCELLES IN NEW YORK

A NOISY but predictable storm appears to be brewing in the wake of the New York Metropolitan Transit Authority's decision last week to award the major chunk of its \$1bn (£555m) subway contract to a Canadian company, Bombardier of Montreal.

The only U.S. company bidding for the contract, Budd of Michigan, is expected to seek an injunction to bar the deal on the grounds that it is "illegal" and will cause harm to the domestic subway manufacturing industry.

Budd is a wholly-owned subsidiary of Thyssen of West Germany; but it claims that it is, to all intents and purposes, a U.S. corporation because it employs Americans and manufactures in the U.S.

The contract, the second and largest of the three-stage plan to supply the city with over 1,000 new subway cars, was worth \$663m (£366m) and provides for delivery of 825 cars.

The Canadian company won the contract largely because it was able to offer cheap 9.7 per cent government-backed export

finance.

Budd is now claiming that its tender was \$33,000 cheaper per car than Bombardier's, though financing would have been at higher rates. Budd says that 80 per cent of the work would be done in the U.S. against only 40 per cent in the Bombardier deal. It also maintains that its delivery date of October 1986 beats Bombardier's of May 1987.

The Reagan Administration, also concerned at the MTA's decision, has said from Washington that Budd might have cause

for action under U.S. counter-voicing duties statute.

Any dispute would have to be adjudicated by the Commerce Department. The question at issue would be whether "cheap" export finance would qualify incoming goods for extra duties.

Under a 1978 law, U.S. companies who feel they have been edged out of bidding by export subsidies can also file a petition for similar financing from the U.S. Export-Import Bank, which provides cheap finance for U.S. trade.

# Swiss to buy Israeli arms, Begin says

BY DAVID LENNON IN TEL AVIV

SWITZERLAND is to purchase \$220m (£122m) worth of military equipment and services from Israel, according to Mr Menahem Begin, the Prime Minister. This was the first public Israeli confirmation of earlier reports from Europe about Swiss arms purchases.

The Premier said that the Swiss had signed two arms deals which would include the

purchase of sophisticated Israel designed and produced tank shells which are reputedly among the most advanced in use.

The Swiss Parliament was reported in September last year to have approved the acquisition of arms from Israel. Subsequently, there had been various reports about the type of equipment being sought.

According to one report Switzerland was considering purchasing \$68.5m worth of anti-tank weapons and Israeli-made missiles.

A Swiss Defence Ministry official was quoted in December as saying that his country was examining the possibility of having its Centurion tanks reconditioned by Israel.

Despite the secrecy which surrounds international arms sales, the deal with Switzerland, which Mr Begin confirmed while addressing a Bar-Ilan University on Tuesday night, is thought to be the largest Israel has made with a European country.

Israel ranks seventh among world arms sales.

# Germany's foremost merchant bank achieved good results in 1981.

Highlights from BHF-BANK's Annual Report 1981	
	Consolidated Figures (in million DM)
Loans to customers	13,388
Total deposits	12,260
Bonds issued	7,113
Shareholders' equity and reserves	548
Total assets	21,020

The complete Annual Report in German and summarized Annual Reports in English, French and Spanish are available on request.

Managing Partners:  
Dr. Wolfgang Graebner, Dr. Hans C. Schroeder-Hohenwarth, Klaus Subjietzki, Rüdiger v. Tresckow

BHF-BANK's service emphasis on merchant banking in a global context contributed substantially to a good result in 1981. The year under review, marked by high interest rates and economic uncertainties, was a relatively difficult year for banks, but BHF-BANK nevertheless achieved solid growth. Group business volume advanced to DM 24 billion, an increase of 5.4%.

The Bank substantially strengthened its position in international business, maintaining its traditionally broad spread of risks. The growth in guarantees and letters of credits by 20.3% reflects this decisive international expansion.


The client-oriented service structure and the worldwide network of outlets and correspondents contributed to a continued expansion of foreign commercial business with special emphasis on export credits.

BHF-BANK is also taking advantage of the new international banking facilities in New York, and the formation of BHF-BANK (Jersey) Ltd. further serves to enhance the international capability of the Bank. In Southeast Asia, BHF-BANK participated in the impressive growth of

the Hong Kong and Singapore subsidiaries of the Inter-Alpha Group of which BHF-BANK is a member.

Euromarket activities of the Bank were highlighted by participation in all DM Euro-issues and a substantial increase in private placements.

As one of Germany's top merchant banks, BHF-BANK continued to broaden its traditional relations with institutional investors, both at home and abroad, offering its expertise in German and international securities trading and asset management.



**CDC helps overseas countries in the development of their resources, primarily in agriculture, industry and public utilities.**


It invests its funds in projects which not only increase the wealth of those countries but also yield a reasonable return on the money invested.

It supports its investments with management and technical services where required.

	FINANCIAL RESULTS		
	1981	1980	1979
	£m	£m	£m
Gross Revenue	44.0	39.4	36.9
Operating Surplus	36.1	32.7	31.6
Surplus before tax	16.7	14.3	12.1
Appropriated to General Reserve	9.6	10.9	5.7
Commitments at year end	596	516	449
Investments at year end	410	351	313

CDC operates in 47 countries. In 1981 its agricultural projects extended over 165,000 ha of commercial crops, 175,000 ha of forestry and 190,000 ha of ranching land. It was helping 325,000 smallholders to grow their own tree and cash crops on a further 362,000 ha.

Projects to which CDC made new commitments in 1981 totalling £94.7m are expected to provide jobs for 5,300 people on an on-going basis, as well as peak employment of 3,500 during construction. They will also assist a further 150,000 smallholders in tree crop rehabilitation.



**Commonwealth Development Corporation**  
33 Hill Street, London W1A 3AR

CDC's Annual Report and Statement of Accounts 1981 is available from Government Bookshops and all major bookshops. Price £4.00.

**BHF-BANK**  
BERLINER HANDELS-UND FRANKFURTER BANK

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**Merchant Bankers by Tradition. Resourceful by Reputation.**

april 15 1982

# Reagan launches attack as budget battle intensifies

BY ANATOLE KALETSKY IN WASHINGTON

PRESIDENT RONALD REAGAN has intensified his struggle with Congress over the 1983 budget by strongly attacking Mr Tip O'Neill, the Speaker of the House of Representatives and the most powerful Democratic leader in the country.



Tip O'Neill: personally criticised

The President said Mr O'Neill's behaviour in Congress made less sense than the film *Madame with Honor* in which Mr Reagan starred alongside a chimpanzee. He accused Mr O'Neill of trying to reverse the mandate of the 1980 presidential election and of responding to offers of compromise and conciliation with demands for nothing short of surrender.

White House officials believe that political developments in the next few days may be decisive for President Reagan's economic strategy. The president intends to pull no punches in his efforts to drum up support for the budget programme sponsored by Republican leaders in the House of Representatives. He believes he will need to deploy his own personality as a weapon against the Democratic leadership.

However, his campaign to win the support of conservative Democrats before the crucial House budget votes on Friday is not going as well as it did last year.

According to a survey by United Press International, only 10 of the 47 conservative Democrats who voted with the President last year are committed this year to his preferred budget plan.

Ten others intend to vote with the Democratic leadership against the President, while the remaining 27 are still undecided.

The President is conducting a telephone campaign to win them over. Last Saturday he called on

the electorate to write urgently to their Congressmen about the budget. However, Congressional officials suggest that there has been little response to the President's appeal.

As well as denouncing Mr O'Neill personally at a Republican dinner which raised about \$1m (£555,000) for the party, Mr Reagan vowed that he would make no compromise with the Democrats if this involved going back to the "politics as usual" which preceded his election in 1980.

As the Congressional elections of November approach, Mr Reagan and the Republican Party are doing everything they can to revive the frustration with the Democratic political establishment and the "traditional" economic policies which swept the Republicans to power in 1980.

# Quebec pay freeze proposed

By Robert Gibbens in Montreal

MR JACQUES PARIZEAU, the Quebec Finance Minister, has courted a row with the most militant unions in the province by proposing a wage freeze for about 300,000 public sector employees, including teachers and nurses.

Unless they are prepared to forego wage increases of 14 per cent, already agreed for later this year, Mr Parizeau proposed, when presenting the Quebec budget on Tuesday, to take the rises away again by legislation once the contracts have expired at the end of this year.

Curbs on public sector pay to reduce budget deficits and help to cut an inflation rate of about 11 per cent have been under discussion for some time in Canada. Quebec is the first province to move in that direction.

There also has been pressure for a more general price and wages freeze—an idea which has not found favour with the federal Government in Ottawa. The Canadian Labour Congress, the national trade union federation, has threatened to call a general strike if such a freeze were to be imposed.

Mr Parizeau's budget proposes increases of the provincial sales tax and of taxes on drink and tobacco. It provides for a total expenditure of C\$22.7bn (£10.2bn) for the financial year to next March 31.

# Washington dampens high Caribbean spirits

Canute James in Kingston reviews regional response to proposed changes in U.S. aid plan

SEVERAL CARIBBEAN governments, and the region's business and financial sectors, have been taken aback by the many and far-reaching changes which are likely to be made to an aid plan for the region sponsored by the United States, as it makes its way through the legislative processes in Washington.

The plan, named the Caribbean Basin initiative, was sent to Congress recently by Mr Ronald Reagan the U.S. President. It proposes trade incentives intended to help the hard-pressed economies of the region, and a \$350m (£192m) package of financial assistance for emergency balance of payments support.

The proposals have been treated by several Caribbean government leaders as the final package, disregarding the possibility of revisions by U.S. legislators. This explains the concern which has overtaken the region after various Senate committees in Washington suggested changes. First, to a proposal for duty-free access to the U.S. market for 12 years for a range of Caribbean exports, and second, that the money be disbursed through a trust fund operated by the World Bank, rather than on a bilateral basis, by the U.S. Government.

Caribbean exporters first became anxious about moves in Washington to remove the

region's rum and leather goods exports from the proposals for duty-free access. This has taken some of the gloss from the plan and dulled initial enthusiasm.

Mr Edward Seaga, the Jamaican Prime Minister, said recently that under Mr Reagan's proposals, rum exports could add significantly to the earnings of the Commonwealth Caribbean countries. Much was also expected of the leather goods industry, but the denial of the duty-free access facility will set back Caribbean exporters who had plans to expand production.

Regional hopes were further dampened last week when the Senate Foreign Relations Committee recommended that the \$350m in financial aid be disbursed through an international trust fund, to be overseen by the World Bank. The committee said no more than a third of the funds should be given by the U.S. and that other countries—presumably Canada, Mexico and Venezuela, which had been part of the original Caribbean plan—should also contribute.

"These changes have cast a different light on what we expected from the Caribbean Basin initiative," said a Caribbean government minister.

"The very areas in which we thought we would benefit most are being eroded and what we will get at the end of this pro-



Edward Seaga: funds needed urgently

cess, it now appears will be far different from what President Reagan proposed and what we had come to expect," he said.

This was the second change suggested for the financial part of the aid proposal. Earlier, the House of Representatives sub-committee on inter-American affairs decided that no country should get more than \$75m of the proposed \$350m. The committee suggested that El Salvador, originally ear-

marked for \$125m, should be brought down to the new ceiling; that Costa Rica's share should go from \$70m to \$75m; and that more be allocated to Haiti and the smaller countries of the Eastern Caribbean.

The sub-committee on international economic policy and trade had also suggested that 25 per cent of the funds—\$87.5m—be allocated specifically for infrastructural and social service development.

"This is a two-edged machete," complained a Caribbean diplomat here. "Of course we need money for infrastructural development. But we also all need balance of payments support. The change which we expected was not a re-assigning of the original amount, but an increase in the quantity of the funds."

There is general acceptance in the region that the proposed changes, especially last week's Senate foreign relations committee proposal for the Trust Fund to be administered by the World Bank, also reflect domestic U.S. political concerns. Politicians soon to face the electorate are less likely to advocate spending more money overseas while their constituents are clamouring for more to be spent at home.

Concero about the World Bank trust fund is based on the manner and speed with which the money would be

allocated to the region. Mr Seaga has said that while the multilateral system which the World Bank would employ is good, it would not allow for rapid disbursements which would be possible under a bilateral programme with Washington. Funds are needed urgently by the economically battered countries of the region, he said.

The World Bank would also disburse funds on the basis of various criteria, meaning that some countries, such as Jamaica, would get less than the \$50m originally proposed by Mr Reagan.

The U.S. Administration is likely to fight to keep control of disbursement of the funds. Giving it to the World Bank could open the door to funds going to countries such as Nicaragua and Grenada—countries which Washington is suggesting be kept out of the programme because of their left-wing governments and their strong links with Cuba.

If the suggested changes are implemented, several regional governments will be forced to change their industrial and financial plans. The final form of the Caribbean Basin initiative, says the Caribbean diplomat, is likely to be effective in easing the pains of the region's economies. "It may end up being too little too late."

# Fresh study ordered into basing of MX missiles

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE PENTAGON has asked a committee of military experts to go back to the drawing board in search of an invulnerable basing system for the controversial MX missile, one of the key elements of President Ronald Reagan's programme to rebuild U.S. strategic strength.

The committee, which first reported last autumn, has been reconvened to give fresh consideration to the so-called "dense pack" basing system, under which perhaps 100 missiles would be clustered in an area of 10 to 15 square miles.

Behind the proposal is the theory that incoming Soviet warheads would have to be aimed to close together that the first one to explode would destroy the others—a concept known to arms experts as "fratricide." The silos would probably also be protected by intercepter missiles.

The committee, chaired by Professor Charles Townes of the University of California,

originally reported that the idea was worth further study. It concluded, however, that the most promising approach was a proposal to base the missiles on a new fleet of giant "big bird" aircraft on continuous patrol over the ocean.

Mr Casper Weinberger, the Defence Secretary, has long favoured the airborne solution. Mr Reagan, however, is reported to have become convinced recently of the merits of a "dense pack" and has directed Mr Weinberger to give it priority.

The failure to come up with a satisfactory basing system has led to difficulties in Congress, which also opposes the Administration's plans to house the MX temporarily in existing hardened Minuteman silos.

Development of the missile is proceeding, but Congress has indicated that it will not make full funds available for the programme until the basing problem is solved.

# Canada to curb growth of newspaper companies

BY JIM RUSK IN OTTAWA

A NEW policy for the Canadian newspaper industry will prevent Southern and Thomson Newspapers, the country's two largest newspaper chains, from expanding.

Legislation to be introduced at the next sitting of Parliament will permit newspaper chains to grow through purchases or mergers only until they control 20 per cent of the market, according to Mr James Fleming, the federal minister responsible for newspaper policy.

The rule will not be retroactive, but prevent further acquisitions by Southern and Thomson Newspapers, which between them control just under half the aggregate national circulation.

Under the new policy, companies which do not have media holdings will be required to demonstrate to the Restrictive Trades Practices Commission that any newspaper they may

acquire will be managed independently of other company interests. Newspapers will be prohibited from holding a controlling interest in broadcast outlets in the areas where they are published.

The Government also plans to offer grants to individual Canadian newspapers to establish bureaus outside their home provinces or abroad and Parliament will be asked to set up an advisory council on newspapers to receive complaints about papers and to report on the state of the industry.

The policy was drawn up in response to a Royal Commission report last summer. The commission was created following the simultaneous closing in August 1980 by Thomson and Southern of dailies in Ottawa and Winnipeg, leaving the two cities with only one daily each.

International Thomson result, Page 24

# Anti-trust suit against Chicago Tribune group

BY OUR WASHINGTON CORRESPONDENT

THE U.S. Justice Department yesterday sued the Chicago Tribune company for acquiring five weekly newspapers and "shoppers' guides" which had been competing with its own local newspaper subsidiaries for advertising.

The move is the Department's first anti-trust action against a newspaper group since 1970.

Although the acquisitions involved were small in financial terms and confined to one county—in Florida, the action indicates a growing emphasis by the U.S. anti-trust authorities on

competition in service industries. The Department had been studying for about five years and with increasing concern the trend of newspaper groups acquiring shoppers' guides. These publications, which have little or no editorial content, are designed purely to advertise local goods and services.

Justice Department officials believe that if, as they expect, their complaint against the Tribune company is upheld in the courts, there will be a curtailment in this kind of takeover activity.

# DESIGN INTO JAPANESE TECHNOLOGY

## Mitsubishi combines technology and trade to meet new challenges

One of a series of interviews by Mr. Dick Wilson and Dr. Yotaro Yanase



Mr. Yotaro Yanase, President

The largest of Japan's general trading companies (*sogo shosha*), Mitsubishi Corporation (Mitsubishi Shoji Kaisha, Ltd.) was originally founded in 1918 when it was separated as an independent entity from the trading division of Mitsubishi Goshi Kaisha (Mitsubishi Head Office).

The Company was dissolved in 1947 by a directive of the Allied Occupation Forces and was broken down into 139 smaller firms. However, since the directive was lifted after the signing of the peace treaty in San Francisco, it made a dramatic comeback to the business scene in 1954 through several stages of mergers and regrouping of the disbanded companies.

The Company now employs about 15,000 people in more than 200 offices and subsidiaries all over the world, with an annual turnover exceeding US\$70 billion in the fiscal year of 1980. The trading volume of the company by type of transactions are: domestic 40.7 per cent, import 31.7 per cent, export 17.0 per cent and third country trade 10.6 per cent.

Its commodity-wise breakdown is roughly as follows: fuel \$18 billion, machinery \$12 billion, ferrous metals \$11 billion, foods \$10 billion, chemical \$6 billion, non-ferrous metals \$4 billion, general merchandise \$4 billion, textiles \$2 billion and project development and construction \$2 billion.

Trade and technology are not obvious bed fellows, and it may seem strange to think of Japan's famous trading corporations—*Sogo Shosha*—as employing scientists to keep track of new technology.

But Mr. Yotaro Mimura, President of Mitsubishi Corporation, one of the most famous of the *Sogo Shosha*, explains why his company has just formed a new Technical Affairs Department.

Mimura: Our domestic business, now standing at about two-fifths of our overall business, is probably going to decline proportionately. We can't look to it to generate the long-term growth which our future viability needs. In the past we excelled in trading on a commission basis, but now we will have to become more creative about our business. Therefore we are organizing and investing in joint-venture products overseas, in order to develop new sources of supply and new industry. We are putting more emphasis on third-country trade and other offshore business. We are beginning to act as prime contractor for such world-scale projects ranging from power plants to international airports. All this implies more dealing with technology. That is why we have created a new special organization within Mitsubishi to handle the transfer of new technology—not simply buying patents and licences, but organizing research contracts as well. As Japan rapidly shifts to become a net exporter of technology, we must also identify and meet technology needs to advance the industrial capabilities of developing countries.

### New technology—A basis for future growth

Mitsubishi believes that new technology will be the basis for Japan's future economic growth. It is collaborating with such agencies as the Japan Research Development Corporation (JRDC) to transfer technology abroad. JRDC locates inventors, funds them and creates around them a team of industrial experts to pursue projects, even if they seem risky. Mitsubishi has reached a similar arrangement with Semiconductor Research Institute to market a new concept, an innovative high-power, high-speed transistor called the Static Induction Transistor.

The trading background of Mitsubishi Corporation shows itself in its special interest in the new materials side of all this. In the past it handled huge quantities of iron and coal for the Japanese steel industry, along with other raw materials.

With fewer mines available around the world, Mitsubishi is seeking new high-value-added materials like silicon. How could the company participate in these new trends unless it had a technological background itself?

As Mr. Yukihiro Kayama, manager of the new department's Research and Knowledge Team, explains, "Mitsubishi was always on the outskirts of new technology. But now we need scientists."

Perhaps Mitsubishi's best weapon is its exclusive agreement with a U.S.-based contract research organization, Battelle, to represent them in Japan.

Despite their unfamiliarity with the idea of contracting outside researchers more Japanese companies are beginning to use them to enlarge their own technical capacity.

Mitsubishi does not, of course, restrict these contracts to its own industrial-commercial group. Four out of five such contracts involve companies outside the Mitsubishi circle.

The problem of developing new technological expertise in Japan doesn't lie with American companies. Rather, it's the Japanese companies' reluctance either to disclose their problems to an American organization, or to give sufficiently brief the American scientists.

Nevertheless about 200 to 400 projects have been organized each year through these efforts.

Transfer of technology is the other main pillar of Mitsubishi's new department. It can take many different forms, and we

asked Mr. Kayama for a few examples.

Kayama: There is a very small company in West Germany which makes corrugated plastic pipes at high speed and low cost, and the advanced technology for this is now used in Japan to protect electric cables. We were the broker who first got several Japanese companies interested. And a few years ago the technology was licensed in Japan—now more than 50 per cent of electric cable protective pipes in Japan are manufactured with this technology.

Wilson: Is there any example from Britain?

Kayama: There was a small company employing only 22 people with a very useful liquid dispensing pump technology. We have been collaborating with it now for 7 years, and we got several Japanese companies interested in it in a big way. And it is still going on, a new advance of the same basic technology is about to appear. But I'm afraid this particular company recently moved to the U.S.

Yanase: What about the reverse flow, of Japanese technology or high technology product to Europe?

Kayama: Well, there is Asahi Glass Ceraroi, a high quality ceramic material, which we are sending to Europe. We are in a particularly good position to evaluate new technology and identify likely markets for it. We are also handling an interesting technology, PAPIA, a composite material between plastic and waste paper, which is in Japan used for auto interior components. Japanese companies, to take another example, may need a particular kind of robotics, and we can tell them where best to find it.

Mitsubishi's Technical Affairs Department deploys almost 40 men, a very high proportion of them being engineers, particularly those involved in the Battelle and transfer of technology teams. There are also other groups doing specific studies in new energy, new materials and products.

Yanase: What is the order of priority in the new department?

Kayama: The four main thrusts in our programmes are electronics, biotechnology, advanced materials and energy.

An important aspect of the transfer of technology, in which a company like Mitsubishi can be of such positive help, is modernization of the third world. We asked President Mimura to give some examples of this.

Mimura: We are putting up a power plant at Batam in Indonesia, and for that purpose we are training Indonesian engineers in Japan. The same can be said of telecommunications projects in Latin America, where Mitsubishi Electric is training their engineers.

Wilson: What are some of the new triangular or multi-party deals of yours?

Mimura: The Liquid Natural Gas projects in Brunei and Sarawak are good examples of how extensive collaboration can be on this kind of project. Besides ourselves, Shell and the two host governments are involved, while most of the equipment comes from Europe. The tankers, for instance, are all French. Similarly, we are collaborating in Kenya with British firms to construct an international airport. Mitsubishi is also working together with American and European companies to develop alternative fuels for the future.

In the old days Mitsubishi needed people who could tell a good bag of coffee or a sound load of wheat from a bad one. Today it needs a man who can choose the right equipment, including new equipment that may never have been used commercially before—and using new materials into the bargain.

It is a very different world, and in which the new department is expected to successfully guide the corporation.

That 40 per cent of total sales which came from the domestic market remains the most important sector for Mitsubishi. Imports account for 32 per cent, 17 per cent by exports and about 11 per cent by offshore trade involving third countries.

It is the domestic business which still make the bulk of the company's profits. But Mitsubishi expects that to change in the future, and it is invoking science and technology toward that end.



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UK NEWS

McMahon urges more flexibility

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

INTERNATIONAL BANKERS were warned yesterday not to be over cautious of foreign borrowers in the wake of debt problems experienced by some leading countries and companies.

Mr McMahon said the Bank of England had always urged the highest prudential standards in international banking. The concept of prudent behaviour was, however, a particularly subtle one now.

At a time when banks have been made rather more sharply aware of the risks involved in their exposure to particular countries in difficulties, there could be a problem if they began to withdraw from, or at least to run down their involvement in individual countries, or groups of countries, without a fully-balanced assessment of those countries' positions.

to reduce its exposure to a country beginning to experience debt difficulties, he said. If, however, several banks took similar action this could exacerbate the problems from which they were trying to escape.

Gold prices steady after fall, says report

By Keineth Marston, Mining Editor

GOLD PRICES are thought to have bottomed out after the heavy fall from the record \$850 per troy ounce in January 1980, says London's Consolidated Gold Fields in its annual review, Gold 1982.

CCA battle looms for accountants

BY DUNCAN CAMPBELL-SMITH

BATTLE LINES will again be drawn up within the accountancy profession in coming weeks on the divisive issue of how best to take account in company reports of the impact of inflation upon their financial statements.

yesterday's move by representatives of the institute's governing council signalled the council's own desire for a full and public debate.

Chancellor rejects oil industry tax protest

BY RAY DAFFER, ENERGY EDITOR

LEADERS of the North Sea oil industry yesterday failed to persuade the Government that offshore taxation is too high.

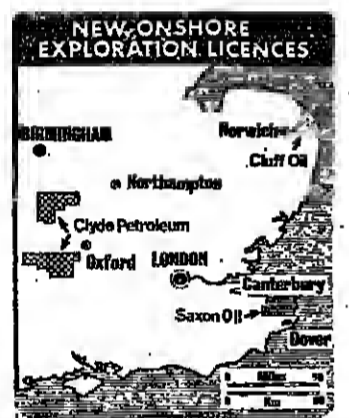
being hit by the level of taxes. Changes proposed in the present Finance Bill could damage some development prospects, it said.

It became clear during the hour-long discussion that the Chancellor believes that falling oil prices have been a major reason for the fall-off in North Sea development activity.

two stages — on June 1 and July 1 — or in one leap at the end of the present contract period, on June 30.

Four onshore exploration licences awarded

BY RAY DAFFER, ENERGY EDITOR



THE Government has awarded four new exploration licences in East Anglia, the south-west Midlands and the South-East.

The licences awarded yesterday were: Cluff Oil — 217 square kilometres in Norfolk. The company will explore a coastal site north of Great Yarmouth.

● Saxon Oil and I. N. Rankin Oil — 397 square kilometres in Kent, to the east of Canterbury.

Lloyd's moves into kidnap and ransom insurance

BY JOHN MOORE, CITY CORRESPONDENT

LLOYD'S INSURANCE underwriters are launching a new drive into the sensitive area of kidnap and ransom insurance business.

Earlier this week Lloyd's brokers were contacted by Cassidy, Davis, underwriting agents at Lloyd's whose syndicates have specialised in kidnap and ransom insurance business.

Petrochemical study move

BY OUR ENERGY CORRESPONDENT

A STUDY of the petrochemical industry's future shape is being supported by major European petrochemical companies, which face a profit-sapping overcapacity problem.

president of Chem Systems, said: "There is a widespread recognition of the problem although the seriousness has not yet been fully appreciated."

The study is by consultants Chem Systems International of London. It is designed to analyse the imbalance of supply and demand and to forecast chemical demand.

Western European Production Capacity for Low Density Polyethylene. A line graph showing production and nominal capacity from 1976 to 1985. Production is shown as a solid line and nominal capacity as a dashed line. Both show a general upward trend with some fluctuations.

Appeal Court sets aside award against Empresa

A \$204,459 award made against Empresa Cubana de Des Fletes, a Cuban state trading corporation, in the Commercial Court was set aside by the Court of Appeal yesterday.

Lord Denning accepted the Cuban plea that there was an arguable case to go to arbitration that the charter had been frustrated by the hostilities.

But on September 22 1980 the war broke out and the Agathon was among 60 ships trapped in the Suez ever since. It eventually discharged its cargo on December 10 1980.

summarily by a judge, rather than going to arbitration. Kiszvos had sought summary judgment on the ground that Empresa had no defence to the claim for hire.

Life assurance industry warned on tax avoidance

BY ERIC SHORT

LIFE COMPANIES marketing artificial tax-avoidance schemes have been accused of abusing favourable tax concessions given to the life assurance industry and of risking inland revenue withdrawal of them.

mediary who previously had bought a stock of bonds from the life company. He estimated that between £200m and £300m of such bonds would be sold this year.

Powerful shot in the arm for British car components industry

John Griffiths examines the Monopolies Commission's report on motor parts supply

THE REJECTION by the Monopolies and Mergers Commission of a wide array of arguments — put forward by UK new car makers and importers in favour of exclusive franchising of replacement parts — is almost total.

The commission concluded it was indispensable that, because other suppliers and potential competitors were prevented from operating in the markets, competition was being restricted to the retail customers' disadvantage.

Component-makers were being excluded from another important market. This last consideration was almost sure to have an adverse impact on the balance of payments and on the prosperity of the UK components industry.

As regards the effects on service to customers, the commission acknowledged that, while stocks of replacement parts at franchisees were generally good, ready availability of parts was often more important than price.

As the commission agreed with the principle, but insisted that it was still not necessary for the car companies to supply them exclusively, a requirement that they be obtained from reputable sources would be adequate, since franchisees would not, in their own interest, supply sub-standard parts.

Table of BASE LENDING RATES for various banks including A.B.N. Bank, Allied Irish Bank, American Express Bank, etc.

Plan for changes to Liverpool schools

MAJOR CHANGES to Liverpool's 300 schools are to follow a meeting in London yesterday between the three parties sharing control of the city's council and Sir Keith Joseph and Mr Michael Heseltine, the Education and Environment Secretaries.

Mr Richard Kemp, the new chairman of the Liverpool education committee, said later: "The basic problem has been the failure to provide an adequate curriculum for children because our resources have been locked up in inefficient buildings."

More jobs lost at Wiggins Alloys. WIGGINS ALLOYS, of Hereford, has announced a further 270 redundancies in its workforce because of the depressed state of the aircraft industry.

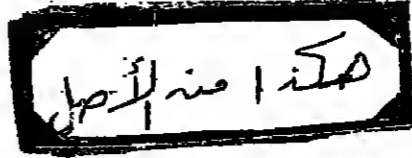
Labour attacks Aeradio sale. MR STAN ORME, Labour's industry spokesman, said yesterday he planned to raise in the House of Commons the sale of International Aeradio, the profitable British Airways subsidiary.

BCal to fly Pope. BRITISH Caledonian Airways has been appointed by the Church authorities to fly the Pope around Britain on his visit starting tomorrow.

Life assurance industry warned on tax avoidance. LIFE COMPANIES marketing artificial tax-avoidance schemes have been accused of abusing favourable tax concessions given to the life assurance industry.

Powerful shot in the arm for British car components industry. THE REJECTION by the Monopolies and Mergers Commission of a wide array of arguments — put forward by UK new car makers and importers in favour of exclusive franchising of replacement parts — is almost total.





# CBI back in surplus for 1981 after 1980's loss

BY JAMES McDONALD

THE Confederation of British Industry turned a loss of £374,000 in 1980 into a pre-tax surplus last year of £159,000.

Sir John Read, chairman of the CBI's finance and general purposes committee, writes in the annual report for 1981, published yesterday, that the "underlying financial position is healthier than it was a year ago."

Total 1981 income at £7.65m, was £1.1m higher than in 1980. This increase included an extra £293,000 from member subscriptions which the CBI regards as particularly satisfying in view of the difficult trading conditions experienced.

Sir John points out that the rigorous review of staffing levels in the organisation, which started during 1979, continued in 1981. The result of this review, largely achieved through natural wastage, was that staff costs were actually £2,800 less than in 1980.

The annual report records that throughout 1981 the CBI put considerable emphasis on recruitment of new members and once again a high proportion of the companies to join—54 per cent—came from the non-manufacturing sector. This reflected a growing awareness of the CBI's essentially broad constituency, says the report, although, "this is also likely to be due to some extent to the generally more difficult trading conditions in the manufacturing sector."

About 300,000 companies, employing more than 12m people, are represented either directly or indirectly by the CBI.

Sir Raymond Pennoek, who retired yesterday as president of the CBI after two years, comments in the report: "The last year has seen a much wider recognition of economic reality in our country, which has led to new attitudes towards competitiveness, productivity and wage settlements."

He adds, however, that "there will always be debate about how reality is due to comprehension and how much is due to fear of unemployment."

He comments that it must therefore be "a continuing priority of management, as and when the upturn develops, to ensure that comprehension remains the order of the day, and employees at every level are aware of the basic realities of how profit is earned and distributed."

On employee involvement, Sir Raymond notes that the CBI's survey last autumn revealed some improvement over the previous three years "but the level of employee involvement generally is still nothing like good enough."

Sir Campbell Fraser, 59-year-old chairman of Dunlop Holdings, yesterday succeeded Sir Raymond as the CBI's president at the organisation's annual meeting in London.

Sir Campbell has played a leading part in the activities of the CBI for more than 10 years. He is a former chairman of the organisation's economic situation committee, responsible for the monthly industrial trends survey, and also of the industrial policy committee.

He has also served on the President's Committee—the "inner cabinet"—since 1978. Sir Campbell is chairman of Scottish Television and a non-executive director of British Petroleum, BAT Industries and the Charterhouse Group.

# Grounds for optimism in construction industry

By Michael Cassell

SOME suggestions that the outlook for the construction industry is getting slowly brighter are contained in the latest set of order figures released by the Department of the Environment.

The department says total orders for construction work received by contractors in the first three months of the year were 4 per cent higher in constant (1975) prices than in the previous quarter, and 6 per cent up on the same period a year earlier.

In current price terms, the value of orders received in March reached £1.08bn against £793m in February. Total orders in the first quarter were valued at £2.68bn, compared to £2.56bn in the same period of last year.

New orders in the public housing sector during the first quarter were, on a constant price basis, 10 per cent up on the previous quarter and 59 per cent higher than a year before. The value of contracts in the private housing sector were 24 per cent up on the last three months of 1981 and 25 per cent higher than in the same period last year.

Public works new orders were 5 per cent up in the first quarter, but down by the same percentage from the first three months of last year.

Private industrial orders fell back by 18 per cent from the last quarter of 1981, but remained 4 per cent up on the first three months of last year. Private sector commercial orders remained unchanged from the previous quarter.

As part of its promotional plans for Fife Airport, the Glenrothes Development Corporation is planning a one-day business and light aviation show at the airport, on September 14.

A hard parking area for aircraft will be constructed over the next two to three months at a cost of £100,000, along with additional hard access to the runway.

# Enterprise board formed to help companies in West Yorkshire

BY NICK GARNETT, NORTHERN CORRESPONDENT

WEST YORKSHIRE County Council is setting up an enterprise board with initial funding of £1.5m, which will be able to take out equity in companies in the county in return for cash help.

The board, which will be a company with 10 county councillors as subscribers, will be geared mainly to supporting start-up ventures when it begins operation in October. The initial funding will cover the first six months.

A number of other local authorities have set up enterprise boards, including London and the West Midlands. West Yorkshire councillors said yesterday they believed the structure of some other local authority boards was not designed to provide the best form of industrial and commercial assistance.

Because of national proposals to change the relationship in some areas between the rate levies and the amount councils can spend on economic development, the main part of the board's initiative is likely to be centred around Huddersfield, Halifax and Wakefield. Applications for assistance from elsewhere in the county, however, will be considered.

The county has a small companies' fund, which will continue, but there is an upper limit of £10,000 of assistance per company. The council can make grants and loans, but cannot take out equity.

The new development company, however, will be able to offer guarantees to banks and other financial institutions so that they can offer loans to companies which do not appear to have a strong enough background to receive help through normal commercial channels. The county is, therefore, expecting the board to assist higher risk companies.

The board is the idea of the council's Labour group, which is hoping that two of the 10 councillor subscribers will be Conservatives and one a Liberal.

The board of directors will include three councillors with voting rights. The other directors will include senior county administrators and there will be nominees from the Midland Bank and trade unions.

There will be four staff, led by a managing director with experience in investment appraisal.

# Arup wins Liverpool festival hall prize

By Ian Hamilton Fazey

A MODERN version of Crystal Palace, but made of 20th-century materials, will form the central building of Britain's first International Garden Festival in Liverpool in 1984.

This was announced on Merseyside yesterday when the prize for the £2.2m main festival hall was awarded to Arup Associates, the London architects.

The building, the budget for which has yet to be agreed, will be converted to sports and leisure use after the festival. Because it will not have internal pillars it will be flexible for multi-use.

The design uses polycarbonate panels. These are set in a steel frame, shaped like a giant, elongated igloo. The building will be 50 ft high, 190 ft wide and 430 ft long. It will be the largest single-user of polycarbonate yet seen.

The material's name was made by solar panels, windows and greenhouses. Its solar-beating qualities will turn the festival building into a massive heat-pump. Energy generated will be stored in what will eventually be the swimming-pool.

The extruded panels can be made with a built-in water-circulating system. By putting dyes in the water the structure's colour is a matter of variable choice. Dark dyes will control light entering.

When converted to a sports and leisure hall the building will seat 4,000 for championship tennis tournaments or have indoor courts for other sports.

The festival hall and track will be set off by a landscape of man-made hills and water features. The competition for this was won yesterday by Derek Lovejoy and Partners, the Manchester landscape architects. Prize-winners each received £4,200.

# Fife Airport £1m improvement

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

GLENROTHES Development Corporation's investment in the upgrading of Fife Airport, for use by business and executive aircraft, is expected to reach £1m during the current financial year.

Of this sum, about £500,000 (including £136,000 from the European Regional Development Fund) has been spent on installing a 700-metre, hard runway at the airport, with other improvements.

Among further developments is work on a new road, as a first stage of improved access to an adjacent, 40-acre industrial park, intended for companies involved in avionics (airborne electronics) and other aviation activities.

Work on a new 10,000 sq ft hangar and workshop will begin in July. That will cost £300,000, and the installation should be ready for sale or lease by late spring, next year.

# UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1981							
1st qtr.	99.6	88.3	98	106.6	130.8	2,282	109
2nd qtr.	99.0	88.9	92	104.7	134.3	2,482	99
3rd qtr.	99.9	88.3	104	105.5	139.1	2,641	96
4th qtr.	100.3	88.9	88	105.4	148.5	2,752	104
Sept.	100.3	90.4	87	103.5	138.8	2,692	97
Oct.	101.6	91.5	94	106.2	147.8	2,523	95
Nov.	100.1	90.0	92	105.6	158.4	2,769	104
Dec.	99.7	88.1	79	104.6	193.1	2,769	108
1982							
1st qtr.	98.7	89.4	96	106.6	141.3	2,811	112
Jan.	98.5	88.3	96	107.0	143.9	2,812	112
Feb.	98.7	89.8	96	106.1	137.8	2,818	113
March	100.2	90.2	92	106.6	142.3	2,822	111
April				106.6		2,850	110
May				106.6		2,872	107

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textiles	Housing starts*
1981							
1st qtr.	93.6	88.3	117.2	84.2	75.7	76.8	19.9
2nd qtr.	93.1	88.7	118.0	84.8	78.7	75.6	14.1
3rd qtr.	93.5	89.2	118.7	86.3	77.2	75.0	14.2
4th qtr.	93.4	90.0	121.3	86.2	82.7	75.6	11.3
Sept.	93.0	90.0	120.8	87.0	79.0	75.0	13.4
Oct.	95.0	90.0	124.0	87.0	86.0	76.0	14.1
Nov.	93.0	89.0	121.0	86.0	83.0	76.0	14.1
Dec.	92.0	90.0	119.0	86.0	79.0	75.0	7.7
1982							
1st qtr.	91.9	91.3	119.4	87.1	83.0	73.7	14.7
Jan.	91.0	91.0	119.0	86.0	80.0	73.0	11.4
Feb.	93.0	91.0	119.0	87.0	84.0	74.0	15.6
March	92.0	92.0	120.0	88.0	85.0	74.0	17.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn*
1980							
4th qtr.	126.4	111.4	+1,265	+2,114	+222	105.2	27.90
1981							
1st qtr.	132.4	126.4	+552	+1,470	+698	99.8	26.73
2nd qtr.	118.9	107.2	+334	+767	+236	105.1	23.25
3rd qtr.	128.9	104.7	+242	+1,191	+422	100.4	28.07
4th qtr.	129.8	120.2	+98	+1,191	+291	99.6	23.70
Sept.	132.4	122.2	+102	+1,200	+74	98.9	23.23
Oct.	134.4	136.3	-19	+1,227	+205	100.0	23.46
Nov.	130.6	120.6	+100	+1,425	+154	100.4	23.35
Dec.	119.5	120.4	-109	+1,245	+168	101.2	23.23
1982							
1st qtr.	125.4	120.6	+174	+1,654	+270	100.6	23.37
Jan.							18.97
Feb.							18.16
March							18.16
April							18.16

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three month growth at annual rate); domestic credit expansion (£m); building societies' net inflow; EIP new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Advances %	DCE %	BS inflow	BP lending	MLR %
1981							
1st qtr.	6.8	6.5	12.4	+1,308	1,061	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,838	868	2,019	12
4th qtr.				+3,364	422	1,980	12
July	14.2	17.2	19.8	+2,240	290	658	—
Aug.	6.5	14.5	35.4	+1,240	344	689	—
Sept.	9.7	22.8	34.3	+2,458	334	706	—
Oct.	4.7	20.2	24.0	+1,425	154	621	—
Nov.	7.6	17.3	20.4	+498	65	642	—
Dec.				+479	283	657	—
1982							
1st qtr.				+3,132	967	2,101	—
Jan.				+856	356	654	—
Feb.				+1,103	347	691	—
March				+1,173	264	756	—
April				+1,599	437	—	—

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (1975=100).

	Earnings	Basic mths.	Wholesale	RPI*	Foodst.	FT commodity	Strig.
1981							
1st qtr.	195.3	213.8	212.3	280.4	288.7	281.56	101.4
2nd qtr.	202.3	225.8	219.4	294.0	277.0	245.87	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	282.82	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
Sept.	212.5	236.2	227.5	303.7	282.7	259.12	88.2
Oct.	214.3	236.2	229.4	306.9	285.5	245.79	90.1
Nov.	214.3	236.2	229.4	306.9	285.5	248.97	90.8
Dec.	217.1	236.2	230.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	216.9	238.0	234.4	311.6	297.7	242.40	91.1
Jan.	214.1	238.9	232.9	310.6	306.1	252.94	91.1
Feb.	217.0	239.9	234.6	310.7	297.2	241.77	91.5
March	218.5	238.2	235.6	313.4	295.8	242.40	90.8
April	238.4	237.2	237.2	319.7	302.5	246.84	90.0

\* Not seasonally adjusted.

# Penalty for late delivery of chartered vessel

By Raymond Hughes, Law Courts Correspondent

GULF SHIPPING LINES must pay damages of about \$166,000 (£91,700) for redelivery of a chartered vessel to its owners 68 days late, a Commercial Court judge has ruled.

The late redelivery resulted from Gulf sending the time chartered vessel on a last voyage on which it was delayed for two months before obtaining a discharging berth.

Gulf chartered the Matija Gubec from Jadranska Slobodna Plovidba, the Yugoslav State shipping company, for "two years and 45 days more or less in charterer's option" from December 8, 1972. Redelivery should therefore have been by January 22, 1975. In fact, redelivery did not take place until April 1, 1975.

Gulf challenged an arbitrator's award of damages to the owner on the basis of two propositions. First, that if a time charter provided for what was apparently a fixed period, there was, nevertheless, a certain flexibility that would permit redelivery a few days later.

Second, that charterers were entitled to order a vessel on a last voyage if they reasonably anticipated that it would be completed within the charter period, and that if there were delay for which the charterer was not to blame there would be no breach of contract.

Mr Justice Staughton said that those propositions gave flexibility and business efficacy to what would otherwise be an intolerably rigid contract.

He said that in mid-November 1974, Gulf had expected to be able to send the vessel off on December 11 on a last voyage carrying cement to Lagos, discharging on January 9, 1975, and giving time for redelivery by January 22.

In the event, the vessel did not leave for Lagos until December 18 and, when she arrived, was unable to berth until March 1.

The judge held that the charterparty was for a fixed period and did not allow for any further tolerance over the two years and 45 days. That being so, the question was at what date was the legitimacy of the last voyage to be judged.

Only in mid-November 1974 when Gulf had no more than a firm intention to send the vessel to Lagos, could it have reasonably anticipated that the voyage would end in time for redelivery by January 22, 1975. At all stages thereafter, it must have been apparent to Gulf that redelivery would be late.

The judge did not accept that the formation of a firm intention was, by itself sufficient to establish a legitimate last voyage.

He said that if a ship owner was ordered on a last voyage and protested that it would exceed the time limit, he would have no means of verifying the charterer's assertion that a firm intention had been formed weeks or months earlier.

But if the charterer really did form a firm intention, there was nothing to stop him telling the owner. If he chose to keep it secret, he did so at his own risk.

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UK NEWS - LABOUR

Extra 15% rise sought by water workers

By Philip Bassett, Labour Correspondent

BRITAIN'S 32,000 water workers are seeking a special one-off pay increase of about 15 per cent to bring them into line with workers in the electricity and gas supply industries.

Full settlement of the claim, which is in addition to the annual pay deal later this year would go a long way towards removing the possibility of this powerful group becoming involved in industrial conflict.

Details of the claim coincide with reports of increased militancy among members of the largest union in the water supply and sewerage industry, the General and Municipal Workers Union.

Reports within the water industry indicate a new reading among normally moderate GMWU leaders to take industrial action over pay this year. The union has held back from taking action in recent years.

The one-off claim is part of last year's water settlement, which provided for negotiations outside the annual pay talks about the unions' claim for an improvement in their members' position in the average earnings league table.

These negotiations have started, and the three unions involved — the GMWU, the National Union of Public Employees and the Transport and General Workers Union — have put forward informal proposals in the National Water Council.

The employers have not yet responded, other than to say there is a large gap between their position and that of the unions.

The basis of the unions' special claim is that water workers' pay should be raised into the upper quartile — the top 25 per cent — of manual workers' pay. Union leaders estimate that the rise needed to take them into this position would be about £12 a week, or roughly 15 per cent on basic.

The unions argue in support of their special claim that water is a key industry and an essential service for consumers, that there have been widespread technological changes in the industry, and that manpower is being used more efficiently.

TUC backs health service action

By JOHN LLOYD, LABOUR EDITOR

HEALTH SERVICE unions yesterday buried their differences over the conduct of their campaign of industrial action at a TUC general council meeting which called on all unions to "build popular support" for the hospital workers' fight.

Mr Len Murray, the TUC general secretary, endorsed the call for support. He said the hallmark of a "moral society" was when the strong aid the weak.

However, both Mr Murray and Mr Albert Spanswick, general secretary of the Confederation of Health Service Employees and chairman of the TUC Health Services Committee, drew back from calling for sympathetic industrial action by other workers or for nurses in picket factories, pits and offices.

Both emphasised that action should be co-ordinated by the Health Services Committee and should conform to the rules and decisions of the executives of the unions concerned.

Mr Spanswick admitted that there would be spontaneous action by groups of workers. "One can't stop this." But he urged trades councils to consult local health service committees before taking such action.

Left-wing pressure for more militant action was reflected in a call by Mr Jim Slater, the general secretary of the National Union of Seamen. He urged the general council to involve workers in key industrial sectors in sympathetic all-out strikes. Mr Slater was supported by Mr Arthur Scargill, president of the National Union of Mineworkers.

Most union leaders are sympathetic to the health workers' cause but anxious not to over-commit their members at a time of little obvious militancy.

The general council has therefore urged all unions to agitate for expressions of support from their members and to send delegations on the regional demonstrations planned during the 24-hour health service strikes on June 4 and 8.

The National Union of Public Employees' call for an all-out strike will be considered at the next meeting of the Health Services Committee on June 9. Cose's executive will debate an intensification of the action tomorrow.

Yesterday Mr Murray stressed that the row between Nupse and the General and Municipal Workers' Union over the all-out strike call was due to a "misapprehension."

He said Mr Alan Fisher, Nupse's general secretary, had made it clear that he would act only in concert with other unions.

Mr Murray said it was "fantastic" that workers in the health service had taken action to have their claim referred to arbitration — a demand which the Government has refused. He predicted that if the Government offered arbitration over the unions' 12 per cent claim the action would be called off.

Mr Spanswick, however, was more cautious. He said such an offer would have to be discussed by the unions. Industrial action would be unlikely to be suspended in any preliminary talks at the Advisory, Conciliation and Arbitration Service.

The general council agreed to amend the TUC rules to allow unemployed union members to act as delegates to congress.

'Poaching' dispute threatens hospital unions clash

By IVO DAWNEY, LABOUR STAFF

WHILE UNITY in the industrial campaign for health workers was re-established yesterday, a fresh row broke out among unions over recruitment.

The struggle for union recruitment raged in the National Health Service provoked angry accusations of "poaching" at the Union of Construction, Allied Trades and Technicians (Ucatt) biennial conference in Yarmouth yesterday.

Mr Eric Hughes, Ucatt's North West Regional Secretary, warned the National Union of Public Employees and the Confed-

eration of Health Service Employees not to seek new members among construction and maintenance staff employed by the health service.

He claimed that in three Lancashire hospitals alone Nupse had succeeded in persuading over 100 out of 150 Ucatt members to desert the union in their favour. Mr Hughes hinted that the hacking of Ucatt in the NHS pay dispute could be jeopardised if "poaching" continued.

Earlier, Mr Arthur Utting, conference chairman, said that the union was recommending rejection of a new 4.5 per cent pay offer to its 6,000 NHS staff. Consultation with branches on the offer, an improvement on an earlier 4 per cent deal, would take place shortly.

The conference yesterday gave full support to the TUC's campaign against Mr Norman Tebbit's Employment Bill. But there were strong indications that the union's executive council will ignore a call for an

end to participation on tripartite bodies, such as the National Economic Development Council.

A resolution, passed unanimously by over 300 delegates promised unqualified backing to the campaign, including if necessary participation in a national all-union strike.

However, in a speech pledging "broad agreement" with the resolution, Mr Les Wood, general secretary, said any opposition would have to take place within the context of the TUC's campaign.

Postal workers will pull out of all productivity agreements with the Post Office unless the differentials between their pay and that of postal supervisors are reduced.

The postal section of the Union of Communication Workers annual conference at Bournemouth yesterday narrowly rejected appeals by the union executive to leave the issue of differentials until next year.

A union spokesman said that, if productivity agreements were abandoned, the recent improvements in the speed and reliability of first-class mail would be threatened.

Kent miners call one-day strike

By MAURICE SAMUELSON

A ONE-DAY STRIKE in the Kent coalfield next week could revive the arguments which caused last year's confrontation between the miners and the Government over the National Coal Board's pit closure programme.

The strike has been called for Wednesday in protest against the board's plan to redevelop part of Snowdown colliery, near Dover. The £32m plan would involve a two-year halt in production and the reduction of its 850 workforce to about 200.

Snowdown was on the board's "hit list" of 23 pits destined for closure. The Government, after the threat of a national coal strike, gave the board extra

financial help to keep them working.

Union officials said last night that Snowdown was the first of the redeemed pits to come under the axe again and warned that it could become a symbol of miners' revived fears.

Earlier Mr Jack Collins, the Communist general secretary of the Kent area NUM, accused the Coal Board of "paving the way for the total closure of the Kent coalfield."

The board, however, maintains that its plan, presented to the Kent miners yesterday, was based on a compromise suggested by the miners themselves. It still would not make Snowdown profitable: merely

reduce its losses which last year reached £9m.

The board proposed spending £32m on developing a new coal seam. It would take two years to reach it with drifts (sloping tunnels) during which production would be suspended and the workforce reduced.

Voluntary redundancy would be offered to miners 55 years old and over, and alternative jobs would also be offered at the two remaining pits in the Kent field, Betteshanger and Tilmanstone.

One of Britain's smallest coalfields, Kent employs just under 3,000 men and produced 3m tonnes of coal last year.

BA flights disrupted by strike

By Brian Groom, Labour Staff

BRITISH AIRWAYS flights from London Heathrow were disrupted yesterday when 4,600 engineering and maintenance staff began a 24-hour strike over a pay and conditions claim.

BA cancelled six departures, to Dublin, Edinburgh, Amsterdam, New York, Los Angeles and Toronto. There were a few delays and several flights had to call at other airports to refuel.

Some disruption is possible today and tomorrow because one-day stoppages are starting on a staggered shift-by-shift basis, but BA expects it to be minor.

Engineers voted at a mass-meeting last week to give shop stewards the power to call sudden stoppages over delays to the 1982 wages agreement.

BA announced last September, as part of its rescue plan, that it could not pay net increases at least until September 1982.

The maintenance workers want increases in line with inflation, a shorter working week and holidays in line with other BA staff.

YOUTH training

A REPORT in yesterday's FT wrongly implied that Sir Arthur Arncliffe, chairman of the Social Security Advisory Committee, had written to the Social Services Secretary urging the withholding of supplementary benefit after six weeks for unemployed school leavers refusing to join the proposed Youth Training Scheme.

Sir Arthur said the committee would be "prepared to see a six-week limitation of benefit for those who unreasonably refuse suitable training on the lines of that which already applies for unemployment benefit." This means that benefit could be cut or withheld for up to six weeks.

Bifu attacks Saturday banking

By Brian Groom, Labour Staff

BARCLAYS BANKS' second biggest union will refuse to discuss the bank's plan to reintroduce Saturday opening unless it is prepared to offer a 28-hour, four-day week.

The bank is certain to reject this and believes it would require a 20 per cent increase in staff. The Banking, Insurance and Finance Union will urge its 15,000 members among Barclays 70,000 UK staff not to volunteer for Saturday work.

Barclays proposes to open 400 branches on Saturday mornings from the autumn, staffed by up to 4,000 volunteers, at a cost of £5m.

A meeting with Bifu is planned for this morning. "If they reaffirm their rejection of a four-day, 28-hour week we will wash our hands of the whole discussions. We are not going to get bogged down in negotiating rates of payment," said Mr Leif Mills, Bifu general secretary, after a meeting yesterday of the union's executive.

The biggest union at the bank, the non-TUC-affiliated Barclays Group Staff Union has also opposed the move.

Barclays may have to implement its plan in the teeth of opposition from the two unions.

Postal threat on differentials

By David Goodhart, Labour Staff

POSTAL WORKERS will pull out of all productivity agreements with the Post Office unless the differentials between their pay and that of postal supervisors are reduced.

The postal section of the Union of Communication Workers annual conference at Bournemouth yesterday narrowly rejected appeals by the union executive to leave the issue of differentials until next year.

A union spokesman said that, if productivity agreements were abandoned, the recent improvements in the speed and reliability of first-class mail would be threatened.

De Lorean workers occupy factory in fight against closure

By OUR BELFAST CORRESPONDENT

SEVERAL HUNDRED workers at the De Lorean sports car plant at Belfast yesterday occupied the factory in an effort to prevent the suspension of production on Monday.

A mass meeting outside the factory supported a shop stewards' proposal for a campaign of opposition to the plant's closure.

Sir Kenneth Cork and Mr Paul Shewell, the joint receivers of De Lorean Motor Cars, announced on Monday they intended to make about 1,300 of the 1,500 workers redundant.

Mr Sean O'Neill, the senior shop steward, said the workers would allow no movement of cars or parts. "We will eat and sleep on the site for as long as is necessary," he said.

The workers also intended to picket the factory, to lobby Government ministers and to organise a march in Belfast on Tuesday, supported by workers from other engineering companies, he said.

However, Mr O'Neill said it was not their intention to hamper the receiver's efforts to find new investors for the company.

A statement issued by the meeting said: "It is the Gov-

ernment which has the major shareholding and we therefore demand that it accepts its moral responsibility and accept its obligations to maintain and create employment."

The statement said the Government should grant a formal temporary company subsidy to keep the factory open.

John Griffiths said: "The full extent of the problems of the Belfast company has emerged in a statement of affairs distributed to creditors by the receivers."

It shows gross liabilities of £106.29m, against gross assets of £91.73m.

However, after deducting assets specifically pledged, the estimated total assets available to preferential creditors, debenture holders and unsecured creditors is reduced to £70.55m.

Unsecured creditors are shown as being owed £41.85m, to which must be added £10m in unsecured bank loans guaranteed by the Government, which has made good its guarantee.

There is also £29.5m in contingent liabilities, which the Northern Ireland Department of Commerce is deciding whether to claim a refund of capital and employment grants made to the company.

Union mergers forecast

By OUR LABOUR EDITOR

A SPATE of union mergers this year is forecast in the 1981 report of the Certification Office, the Government-appointed trade union watchdog.

The report says that some 25 proposed mergers were referred to the Certification Office in 1981, and a further 15 were known to be under discussion.

This confirms signals from the annual conferences of many unions that mergers are now being vigorously pursued to hold down costs and consequent rises

in membership fees at a time of falling rolls. Unions, such as the bootmakers, the sheet-metalworkers, the patternmakers, and the white-collar union, Apex, are known to be conducting serious merger talks with larger unions.

The report also shows that in the first full year's operation of the scheme to refund costs incurred through secret balloting under section 1 of the 1980 Employment Act, the office paid out only £12,594.

NOTICE OF REDEMPTION

To the Holders of

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Issued under Indenture dated as of July 1, 1971, as supplemented

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned indenture, \$1,283,000 principal amount of the above described Debentures has been selected by lot for redemption on July 1, 1982, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

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05 13 26 33 38 43 47 48 53 63 71 83

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On July 1, 1982, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, 15th Floor, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris, Banca Nazionale del Lavoro in Milan and Rome, Swiss Bank Corporation in Basle, Geneva and Zurich, Bank Mees & Hope NV in Amsterdam, Credit Lyonnais in Paris, Société Générale de Banque S.A. in Brussels and Banque Générale du Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a New York City bank.

Coupons due July 1, 1982 should be detached and collected in the usual manner.

On and after July 1, 1982, interest shall cease to accrue on the Debentures herein designated for payment.

SCOTT PAPER COMPANY  
By MORGAN GUARANTY TRUST COMPANY  
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Dated: May 27, 1982

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Accounts 1981

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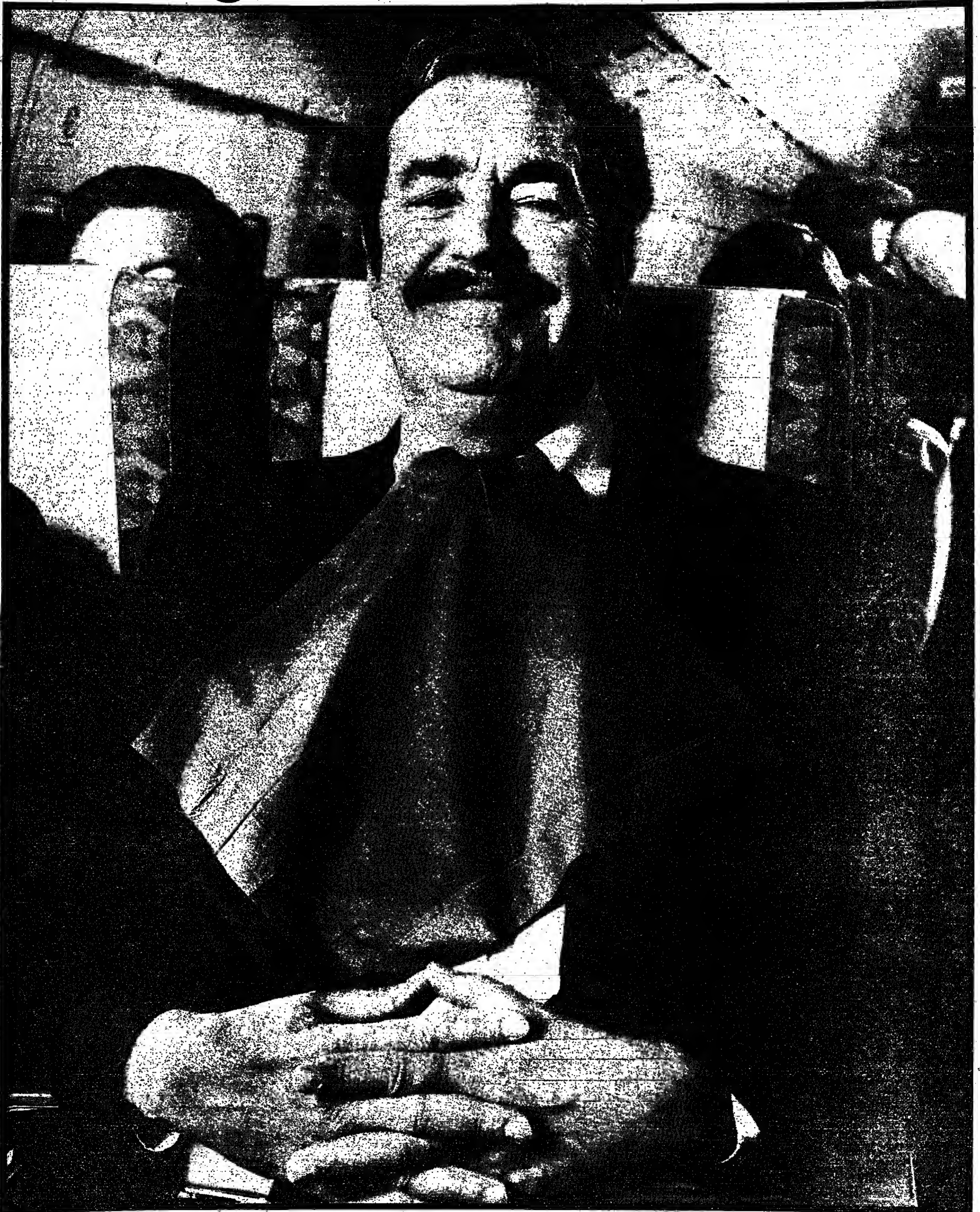
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UK NEWS - PARLIAMENT and POLITICS

Falklands resolve undiminished, Nott says

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN'S resolve to retake the Falklands is undiminished, despite the loss of four warships, and ground troops are now poised to begin a thrust on Port Stanley.

He warned that there may be more losses on land and sea, but maintained that in general the military objective of repossessing the islands had gone forward exactly as planned.

For the first time, Mr Nott categorically ruled out bombing Argentine mainland bases used by Etendard aircraft for successful Exocet missile attacks on British ships.

He made clear that this would be counter-productive and was not militarily feasible.

The House was in a grim mood as the Defence Secretary, with Mrs Thatcher sitting beside him, made a statement on the loss of the fourth British warship, HMS Coventry.

He gave details of the merchant vessel Atlantic Conveyor, which had been put out of action and abandoned.

There was overwhelming support for the Government's policy, but once again there was scattered criticism from the Labour back benches, including an intervention from Mr Tony Benn (Bristol South East).

Mr John Silkin, Labour's defence spokesman, said the whole House and country wanted to see the conflict concluded as speedily as possible

Argentina still owes William and Glyn's Bank £3.8m, including interest, for two Type 43 destroyers fitted with Exocet missiles, Lord Cockfield, Trade Secretary, disclosed in the Lords yesterday.

The destroyers were sold to Argentina in 1969. They are sister ships of HMS Sheffield, and were built by Vickers at Barrow-in-Furness.

They were covered by the Government's Export Credit Guarantee Department, and Lord Cockfield confirmed in a parliamentary written reply to Lord Brockway (Lab) that if the payment was not received by the bank, the ECGB would be liable to compensate William and Glyn's.

and with the fewest possible casualties.

He sought a Government undertaking that every door, military, financial and diplomatic, would remain open.

Mr Nott said he could give a complete assurance on this point.

For the Social Democrats, Dr David Owen said the Government should be prepared to look at any proposals that firmly linked a ceasefire with immediate withdrawal of Argentine forces and eventual negotiated settlement.

Mr Nott agreed, but also pointed out: "It does need two to bring about a peaceful solution. That remains the problem in this case. The Argentines are

still obdurate and have given no indication that they want a peaceful solution at the present time."

Mr Nott described the loss of HMS Coventry and the Atlantic Conveyor as tragic. But he added: "When a setback occurs there is always a danger that it brings in train undue pessimism about the future, just as success sometimes creates needless euphoria. Neither is justified at the present time."

Substantial attrition of ships, aircraft and equipment had been anticipated when the operation was planned. In spite of the loss of four warships the Task Force had more escorts now than a week ago.

In the past two days 10 more destroyers and frigates had joined the force. Harrier aircraft losses had been much less than expected, and they had achieved complete dominance in air combat and land attacks. In spite of massive movements of merchant ships the Atlantic Conveyor was the first supply vessel to be lost.

Behind the troops ready to move on Port Stanley were another 3,000 men of Number 5 brigade. Meanwhile, reinforcements and supplies were virtually denied to the Argentine Garrison.

The morale of British forces was high, and Britain had achieved one of the most remarkable logistic and military operations of recent times in despatching over 100 ships and 25,000 men and women over 8,000 miles.

The Defence Secretary told Mr David Steel, the Liberal

leader, that it would be unwise at the moment to say what the Atlantic Conveyor was carrying when it was attacked. It was full of supplies for the Task Force but there were no Harriers on board.

There were angry cries of "disgraceful" from some Labour MPs when Mr Enach Powell (OUU Down South) urged the Government to press on for a decisive military victory.

He told Mr Nott to remember the words of the Duke of Wellington at Waterloo: "Hard pounding, sir, hard pounding, but we shall see who can pound the hardest."

Mr Peter Griffiths (Con Portsmouth North) said the serious blows inflicted on the fleet by Argentine aircraft raised the question of giving further protection to ships by the destruction of the bases from which the attacks were mounted.

But Mr Nott told him: "The task that has been suggested in some quarters is not militarily one of any great feasibility."

Mr Ian Lloyd (C, Havant and Waterloo) said that in the past few weeks the Royal Navy had lost a percentage of its strength equal to its losses in the first year of World War Two. He

suggested the time had come for an unmistakable signal to be sent to the Argentines that unlimited attacks on British ships in British territorial waters justified an unlimited response.

Mr Nott said he did not think such a move would be very helpful.

From the Labour back benches, Mr Benn told the House that nobody really believed that a military solution could be sustained by either side in the conflict.

"Since everybody believes that negotiations will have to take place in the end, how many more lives does the Government think it sensible to lose before they go to the UN for some sort of ceasefire to permit these negotiations to take place?"

"Of is it the Government's intention in pursuing an ultimate military victory that this awful tragedy which is now unfolding should continue to its bitter end?"

There were cheers from the Conservatives as Mr Nott replied: "The military aim is to repossess the Falkland Islands and we will continue with that. We may have further losses, but we will continue with it until we have achieved it."

"At the end of the day, we will, of course, want to arrange a long-term future for the islanders, whereby they can live in peace with their neighbours."

Speaker suspends Faulds from House

By John Hunt, Parliamentary Correspondent

MR ANDREW FAULDS (Lab Warley East) was suspended from the Commons for five days amidst noisy scenes yesterday, after he accused the Speaker, Mr George Thomas, of failing to call Labour MPs who are opposed to military operations on the Falklands.

When his suspension was put to the vote he received the support of 27 Labour MPs



Andrew Faulds

who share his opposition to the sending of the British Task Force.

But the suspension was approved by a majority of 259 (277-27).

Earlier this week Mr Faulds was sacked from his job as Labour's spokesman on the arts because he defied his party's line and voted against the Government in last Thursday's Falklands debate.

At the end of the exchanges on Mr Nott's statement yesterday Mr Faulds protested that he had not been called to speak.

He argued that this was a breach of the convention whereby a member who has lost office because of his views is given the opportunity to put his case.

After several exchanges with the Speaker he declared: "You have tried to silence the opposition to this exercise. You continue your concensus exercise."

After refusing the Speaker's order to resume his seat Mr Faulds was formally named and stormed down the central gangway shouting "this is disgraceful. This is a Chamber for freedom of speech."

Before leaving he stood in the middle of the Chamber on front of the Mace and shouted at the Speaker: "You will not accept members who are opposed to this lunatic operation."

The suspension applies for five days when the House is sitting so it is likely to run into the second week of June when the Commons resumes after the Whitsun recess.

The divisions in the Labour Party over the Falklands were further underlined yesterday at a meeting of the party's national executive committee, writes Elinor Goodman.

Mr Michael Foot, the party leader, successfully opposed a motion tabled by Mr Tony Benn calling for "an immediate and unconditional mutual ceasefire."

But one member of the shadow Cabinet, Mr Eric Heffer, refused to support Mr Foot, and at one point Mr Denis Healey, the shadow Foreign Secretary, disowned the hawkish views expressed by his shadow Cabinet colleague Mr Peter Shore on television at the weekend.

The atmosphere of the meeting was said to be sombre. Half-way through members were given details of the latest casualty figures in the South Atlantic.

After more than an hour's debate, the executive eventually approved by 15 votes to nine a motion tabled by Mr Foot with the support of Mr Heffer, reiterating Labour's commitment to a diplomatic solution. There were two abstentions, including Mr Heffer.

Margaret van Hattem looks at next week's by-election

Rodgers chat show leads the Alliance charge on Merton

Good morning, good morning - I'm Bill Rodgers canvassing for the SDP and that's our candidate over there - Bruce Douglas Mann, over there in the chocolate coloured trousers and a rather nice light jacket, moving quietly amongst you, listening to your problems - you now have a real choice, something new and exciting in politics, a man of the highest integrity and goodness and isn't that what we need in this day and age, in these worrying times.

You sir, what's your opinion of the Falklands crisis - a load of rubbish? Clearly a very worried voter there ladies and gentlemen, and if you have worries, there's our candidate over there, Bruce Douglas Mann, moving quietly amongst you, waiting to hear your personal problems.

You sir, you want to say something? His integrity is not all it's cracked up to be? How long have you known him, sir? How long? Well? I've known him 33 years and I can assure you he's a man of great integrity.

We appear to have found the only voter in Mitcham and Morden who doesn't agree.

By this time, the hapless candidate is well and truly out of sight behind the bus shelter.

The Bill Rodgers turn with the loudhailer is becoming a feature of SDP by-election campaigns, and is certainly a source of great amusement and enjoyment to the party's canvassers - and possibly to some of the voters.

But Bruce Douglas Mann, a rather shy man who does not easily accost strangers in the street, gives the impression of someone being subjected to cruel and unusual punishment, shuddering faintly like a butterfly impaled on a pin, as his sterling qualities, his matchless integrity, are landed again and again by the strident voice on the loudhailer.

And if any other SDP MP should be quizzed enough to follow his example and resign his seat to fight a by-election, the chances are he too will get plenty of help in his campaigning from the ebullient Mr Rodgers.

The SDP campaign for next week's by-election in Merton, Mitcham and Morden has not yet got into top gear. The small band of canvassers are awaiting reinforcements from their Liberal partners, who are expected to arrive in large numbers and swamp the constituency as soon as today's by-election in Beaconsfield is out of the way.

But those already there have covered 25 per cent of the constituency and deduce, from the returns, that Mr Douglas Mann can count on 36.8 per cent of the vote, with 36.4 per cent for the Tories and 26.8 per cent for Labour.

The Tories, more cautious in producing their own figures, are riding confidently on this week's Gallup poll, which gave them 43.5 per cent compared with 33.5 per cent for Labour and 21.5 per cent for the Alliance.

Their candidate, Mrs Angela Rumbold, is working her way quietly and efficiently through the back streets of the constituency, totting up the numbers. Mrs Rumbold does not walk - she sails down the crazy pavement paths to the double-glazed porches, a whirl of pastel floral draperies, for a brisk doorstep chat.

A brief question on the householder's opinion of the Falklands crisis is enough for her to establish whether this is a potential voter, after which she wastes little time trying to overturn lifelong political allegiances.

Unlike some of the younger SDP canvassers, she appears to have little faith in doorstep conversions.

Labour canvassers are a little disappointed that only around 30 people are turning up to their evening political meetings - the Tories are claiming attendances of more than 70, while the SDP is pulling in



Douglas Mann: shuddering faintly like a butterfly impaled on a pin



Angela Rumbold: sails down the crazy pavement paths to the double-glazed porches in a whirl of pastel floral draperies



David Nicholas: appears embarrassed by London Labour Briefing

around 100 - but nevertheless they are slogging on.

The Labour candidate, Mr David Nicholas, appears slightly embarrassed by his association with London Labour Briefing - the left-wing journal to which he has contributed and which yesterday hit the headlines with an editorial attack on Mr Michael Foot, the Labour leader.

"Michael is going to make an excellent Prime Minister," he declares.

He is focusing his campaign on economic issues and unemployment, and appears encouraged by Gallup's findings that these are the issues most preoccupying the electorate - except among the Tories, who are more concerned with law and order.

The Falklands crisis, while it surfaces on Tory doorsteps, is well down the list of issues.

Candidates  
Bruce Douglas-Mann (Alliance)  
David Nicholas (Lab)  
Angela Rumbold (Con)  
Joe Pearce (NF)

General Election: A. Douglas Mann (Lab) 21,688; O. Samuel (Con) 21,050; S. Leach (Lib) 4,228; J. Paryman (NF) 892. Lab majority 614.

Livingstone call for ethnic fund

A NATIONAL strategy and a new fund to tackle racial disadvantage, led by government, was called for yesterday by Mr Keo Livingstone, chairman of the Greater London Council, and of its ethnic minorities committee.

The committee says the special needs of London's ethnic minorities are not met effectively because of restrictive laws, particularly section 11 of the Local Government Act 1966, the only recognised fund for tackling racial disadvantage, and government inactivity.

Heath calls for change in approach to EEC budget

BY IVOR OWEN

A NEW approach to reducing Britain's contribution to the EEC budget was urged by Mr Edward Heath, the former Prime Minister in the Commons last night when he criticised senior ministers for adopting untenable positions.

Ignoring interruptions from anti-marketisers on both sides of the House, he argued that the Government would never secure a satisfactory solution to the budget on the basis of "what we put in we must get out."

Mr Heath also refused to join the condemnation of the seven member states who last week prevented Britain from invoking the Luxembourg compromise to delay implementation of Community farm price increases until the budget issue had been resolved.

He maintained that as experience in the British Treasury had shown it was not practicable to seek an agreement over the size of the budget which extended over five or seven years.

"It is just not possible to tie the Community down in that way," he declared.

The former Prime Minister, who took Britain into the Common Market in 1973, called on the Government to abandon its "inferiority complex" and place less emphasis on the need for budgetary concessions.

He maintained that the way forward should be to ensure that Britain gained bigger benefits from the Community from grants and loans for industrial development.

Mr Heath urged the Prime Minister and her colleagues not to allow themselves to be manoeuvred into untenable positions which contributed to the alienation of the Common Market and indirectly helped the efforts of those campaigning

for Britain's withdrawal.

Mr Heath argued that the farm price settlement had been acceptable to Britain and that, therefore, it would not have been appropriate to use the Luxembourg compromise which had been designed to safeguard "vital national interests."

The seven members who had secured approval for the farm price deal by a majority vote, overriding Britain's veto, had been right to do so because it was important that those engaged in agriculture, including British farmers, should know their position for the year ahead.

Mr Heath contended that the agreement which Britain had secured earlier was that the farm price package and the budget settlement should be considered in parallel.

"There was no agreement that the price review could be blocked until there was agreement about the budget," he insisted.

Mr Francis Pym, the Foreign Secretary, who opened the debate, was adamant that the over-riding of the Luxembourg compromise by the Agriculture Ministers last week amounted to a "violation of the Community's customary procedures."

Mr Pym made clear that Britain had accepted the budget compromise for 1982, agreed on Monday, in order to prevent a major crisis developing in the Community.

"What we have accepted is a basic refund of £490m which, on the basis of the Commission's estimate, will make the UK net contributor after refunds of £390m."

Mr Eric Heffer, Labour's spokesman on European affairs, called on the Government to withhold Britain's budget contributions until a satisfactory long-term agreement had been reached.

Group formed to oppose unilateralists

By Elinor Goodman

LEADING LABOUR supporters of multilateral nuclear disarmament yesterday launched a pressure group in an attempt to stop the party fighting the next election on a unilateralist defence policy.

The launch coincided with a debate within the party's national executive committee which showed the difficulties facing multilateralists.

Mr Denis Healey, Labour's shadow Foreign Secretary, tried unsuccessfully to delete part of a policy document on defence which commits Labour to closing down all U.S. military bases in this country. The committee approved the statement, which while stressing the need for multilateral disarmament, commits the party to what is essentially a unilateralist, non-nuclear defence policy.

The statement will be put to this year's party conference as part of Labour's programme. At least one of the unions which last year supported the successful unilateralist resolution may switch its votes this year, but the odds are that the document will be endorsed overwhelmingly.

The Labour Party Defence and Disarmament Group, launched yesterday with the backing of Mr James Callaghan, the former Labour Prime Minister, will try to counter the activities of the unilateralists.

Yesterday, however, it got the public support of only eight MPs.

Technology centres

TWO MORE information technology centres are to be established at Cardiff and Neath, Mr Nicholas Edwards, the Welsh Secretary, announced in the Commons, yesterday.

Labour and TUC agree renationalisation policy

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

THE LABOUR PARTY and the General Council and Labour's national executives committee. But it is almost certain to be approved, and become, eventually, a central part of Labour's next election manifesto.

Renationalisation policy precipitated a row last autumn between Mr Tony Benn and Mr Michael Foot, the party leader, but it looks as though all wings of the party will accept the formula set out in the joint statement.

The committee has rejected the idea of paying no compensation - the inference of one Labour Party conference resolution - along with suggestions that compensation should be based on market values.

It has also rejected the idea, originally floated as an option by Mr Benn, that the total amount available for compensation should be allocated according to needs, with employee shareholders receiving more for their shares than financial institutions.

No allowance is made for the fact that the Government received for them when they were denationalised.

No allowance is made for the fact that the Government received for them when they were denationalised.

The statement still has to be finally approved by the TUC

Big changes in tax system 'not possible until 1990'

BY RAYMOND SNOOPY

MR JOHN GREEN, deputy chairman of the Board of Inland Revenue, said yesterday that he believed substantial changes to the British tax system - such as a local income tax or self-assessment scheme - would not be possible this decade.

To introduce such schemes the tax system would have to be fully computerised and this would not be complete until 1987-88. There then would be a couple of years to bed the new

system down.

Mr Green was giving evidence to the Treasury and Civil Service sub-committee on the structure of personal income taxation and income support.

Mr Green also said that latest inland revenue estimates of the size of the black economy were that it accounted for between 6 and 8 per cent of GNP with a resulting tax loss of about £4bn.

Surgikos is a subsidiary of the giant Johnson & Johnson company, and are involved in the manufacture of infection control products for use in the medical and health care fields. A clean environment, modern facilities, and a conscientious workforce are prime requirements. All of these, they have found in Livingston, from which they now produce a variety of products for export all over the world.

Commenting on the decision to move to Livingston in the first place, a decision now proving highly profitable, Managing Director of Surgikos, Steven Desmond said:

"We've a Medical Products Company and need a clean environment and modern facilities and above all a skilful and conscientious workforce if we're going to succeed. Here in Livingston we found that our concept has gained substantially over the last two years with the fullest cooperation from our workforce."

Livingston's publicity material says - the welcome's warm, the Grants are great. But there's even more to it. Although Livingston has all the financial advantages of New Town status, it is old enough to be fully mature in terms of housing, shops,

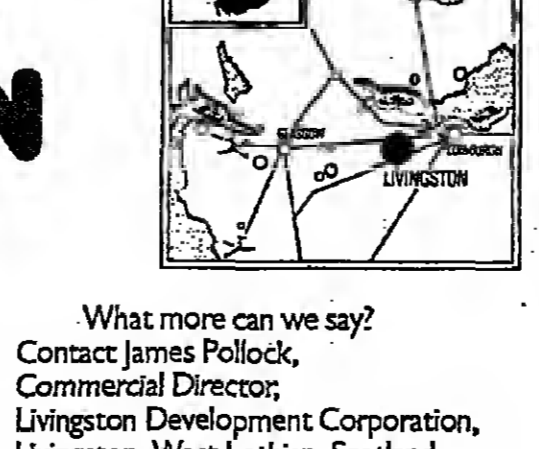


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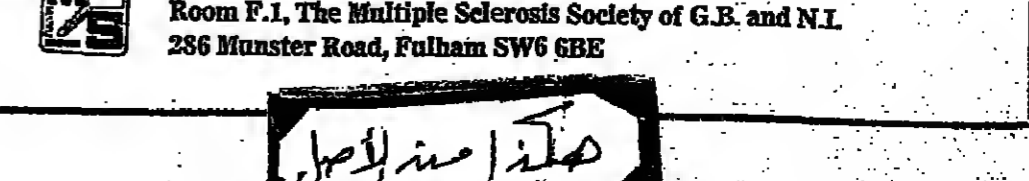
MAKE IT IN LIVINGSTON

schools, services, and general community structure. There are over 160 companies and 40,000 people already based here. Livingston is about 10 minutes from Edinburgh Airport, and another 15 from the capital itself. The motorway network is first class, and for those who need to be, we are within minutes of the ports of Grangemouth and Leith. Even Glasgow, in the West, is only about 1/2 an hour away. But more than anything, you'll find that Livingston Development Corporation themselves will bend over backwards to do everything in their power to make things happen for you.

What more can we say? Contact James Pollock, Commercial Director, Livingston Development Corporation, Livingston, West Lothian, Scotland. Tel. (0506) 414177. Telex 727178.



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UK NEWS - THE CROWN AGENTS REPORT

Effects of collapse still being felt

BY PAUL CHEESERIGHT

THE CROWN AGENTS teetered on the edge of bankruptcy in 1974. Only the intervention of government prevented collapse. The effects are still being felt.

Yesterday the Tribunal of Inquiry, set up by the Home Office over four years ago, published its report.

It is highly critical of the way the Crown Agents acted on their own account in the property and secondary banking sectors under the leadership of Sir Claude Hayes, then the Senior Crown Agent, and Mr Alan Challis, then the Director of Finance.

It also points to inadequacies in the system of control provided, in their different ways, by the Ministry of Overseas Development, the Treasury and the Bank of England.

The Bank of England in September 1973 asked the commercial banks to restrain lending to property developers. It was the start of a financial storm which nearly blew away the Crown Agents and which led 15 months later to the

Government granting the Crown Agents the first £25m of what turned out to be £175m of support.

But the events which led to the Crown Agents exposure to this storm and their losses of over £200m started seven years earlier. In 1967 the Crown Agents were short of reserves. There was the impression in the organisation that the Government had disowned responsibility for them.

The traditional activity of the Crown Agents had been the procurement of goods for colonial governments. Gradually this had expanded to take in financial services. From 1965 the Crown Agents acted as a bank. During the 1960s the Crown Agents started investing funds under their control at their own discretion.

Internal papers showed that the Crown Agents wanted to build their own reserves to £7m by the end of 1971. This was the genesis of the Crown Agents dealing in its own account—dealing which was to take it heavily into property and secondary banking.

The start was tentative. The first borrowing and re-lending on the money market took place in March 1967. The same year there was the first excursion into equity investment—Realisation Recordings—and the first venture into merchant banking—ED Sassoon Banking.

These transactions cost £754,000.

By mid-1968 the Crown Agents had borrowed and invested £45m. In July the ultimately ill-fated investment in Australian property had started leading to a major expansion the following year.

"By the end of 1970, the Crown Agents were running what was in effect a banking operation deploying funds of £403m," the Tribunal states. "Nearly all the various activities which later resulted in major losses had been started."

The ratio of borrowing to reserves was high and not the basis of considered assessment, says the Tribunal. And short-term borrowings were being used to finance long-term investments, most markedly in Australia.

Funds were moving to English and Continental, the largest property venture outside Australia, Sterling Industrial Securities, First National Finance Corporation and the Stern Group of property companies.

Even after the financial climate had chilled in the

REPORT of the Tribunal appointed to inquire into certain issues arising out of the operations of the Crown Agents as financiers on our account in the years 1967-74; House of Lords Paper 149; House of Commons Paper 364; HMSO; £16.35.

autumn of 1973 the funds still went out, in the form of support lending to companies under pressure. By then the Crown Agents had no finance director. The seriousness of the position was not appreciated until Sir John Cuckney Agent—and that was not until October 1974—the Tribunal says.

It was then that steps were taken to bring the situation under control. Government funds made sure that the agents entrusted to the Crown Agents clients remained intact and the traditional business could continue.

The property and secondary

banking dealings were put into a separate account. Parliament acted to incorporate the Crown Agents and give it formal status. The Overseas Development Administration, successor to the Ministry of Overseas Development, drawing the lesson of what happened without controls a decade ago, has imposed financial targets.

And the work of unscrambling the dealings of 1967-74 goes on. The Australian property portfolio is being sold — which should repay the Government £10m of its £175m grants. For the rest—that depends on receivers and liquidators. The unscrambling will take years.

TABLE OF LOSSES

	Total £m
English and Continental Stern companies	42.5
Australian property development	41.2
Sterling Industrial Securities	33.1
Big City Finance	10.0
Sassoon Bahamas—now CA Bank and Trust International	8.6
GCA Capital Corporation	7.9
Wallace Brothers	3.3
Caribbean Bank	6.5
Bardays Hotels	6.5
Triumph Investment Trust and G. T. Whyte	6.0
Burston Group	5.2
Orchard Square Development Corporation	2.5
Cassidy Hotels	2.5
Murrayfield Securities	2.0
G. S. Gill Hotels	1.4
Losses of £1m or less, totalling	8.0
Losses on overseas investments of the Joint Consolidated Fund	185.3
(including £4.5m premium on purchase of investment currency)	10.1
	195.4

Government 'failed to take action or control activities'

NO-ONE comes out of the Crown Agents story with much credit, the Tribunal says. The Government knew what the Crown Agents were doing in 1969, and realised in 1970 that if the own account activities went wrong, it would have to stand behind the organisation. But by 1974, says the Tribunal, it had failed to take any effective action to investigate or control the activities.

The arms of government seemed never quite sure how to handle an organisation which was a public sector body that acted like a private sector bank, which was not incorporated, and which as the Tribunal has it "did not fall into any conventional slot."

As the crisis unfolded in spring 1974 three key bodies were involved: the Ministry of Overseas Development, the Treasury and the Bank of England. The Tribunal is critical of them all.

The Ministry did not press for adequate financial information, and the decision having been taken to stand behind the Crown Agents, did not mount an investigation. "The Government's decision amounted to signing a blank cheque."

Dame Judith Harcourt, then the minister, did not ask enough questions and was inadequately briefed by her officials. But the primary responsibility for the failure to investigate lies with Sir Richard King and Mr D. L. Pearson, the ministry's permanent and udder secretaries.

The Treasury is criticised for its failure to press for and keep in touch with an investigation. It had a duty to protect the Consolidated Fund "against the risks arising from the assumption of an unquantified liability."

The Bank of England knew in early April 1974 that the Crown Agents were heavily involved with the Stern Group of property companies but it was not until May that it told the Treasury of the potential seriousness. Nor did it pass to the Treasury information it had obtained on the Crown Agents' loans to other vulnerable companies. This was a lapse on the part of Sir Jasper Hollow, then deputy governor.

Further, the Bank should not have encouraged the Crown Agents to play a part in the support operations for failing secondary banks without informing the Treasury.

Tribunal of inquiry may have cost £2.5m

THE Tribunal of Inquiry started work in April 1978. It was set up by Parliament to find out to what extent there were lapses in professional or commercial conduct arising from the activities of the Crown Agents between 1967-74.

The work leading up to the publication yesterday of its 600-page report is thought to have cost about £2.5m. The chairman was Sir David Croom-Johnson, a High Court judge. The other members were Lord Allen of Alldaydale and Sir William Simmonds.

They set out to establish who was to blame for more than £200m of losses. Their remit was wider than that of the Pay Committee, which in December 1977 after 30 months of work reported on the events that led the Crown Agents needing £175m of public funds to prevent bankruptcy.

But there was another inquiry into the Crown Agents in 1971-72. A committee, chaired by Sir Matthew Stevenson, looked at the status of the Crown Agents, particularly its relationship to the Government, and recommended ways of incorporation. The report was not published until 1977.

Report says agents lacked experience

The Crown Agents report concluded that:

The opportunity to develop the own account activities was provided by the unique nature of the Crown Agents. They had no formal constitution and their accountability was uncertain. They thought they could do what they liked within wide limits. No one outside appeared to be able to tell them not to do so.

The Crown Agents were not equipped to undertake what they did. Their organisation was not adapted to their new activities, and they did not have a staff which possessed the necessary skills or experience. A few had ability, but for what they were now attempting they were on the whole no more

6 They drifted into acting on their own account without themselves properly appreciating what was involved, without adequately considering the risks and the reserves available to cover them, without resolving the question of ultimate liability, without consulting the Ministry (of Overseas Development), without taking expert advice and without laying down rules for the control of the new activities. They started a large banking operation on a large scale without adequate regard to what they were doing.

than amateurs. The attempt to build up their reserves by using vast sums of borrowed money was a fatal error. Both in the size and nature of the operation they took unjustified risks, whilst maintaining that the risks were minimal. In many respects they did not realise that they were taking any risks at all. The apparent initial success of the own account operation gave them inflated ideas of their financial skills and encouraged them to continue and expand it. When market conditions became difficult, their lack of expertise and their exposed position found them out. The enormous losses were almost entirely due to incompetence and not to corruption.

The moving spirit behind the own account operation was Mr Challis. He was intelligent, a hard worker, and had great drive, but he was impatient by detail and was carried away by his own enthusiasm. He suffered from the handicap of having had no outside experience of the controls necessary for running a large banking operation which was financing a wide range of activities. No one seriously tried to exercise any control over him. Certainly, no one succeeded. This was in part due to his own secretiveness which resulted in his Finance Directorate being a private principality within the office. Sir Claude Hayes did not regard it as his job to become involved in day-to-day work. He did not want the Ministry to learn too much about the Crown Agents' affairs because he had convinced himself that the details were none of its business, and he was suspicious of officials' motives in trying to find out. Two of the essential qualities for a Senior Crown Agent were openness and a capacity for readily establishing good relations, especially with the Crown Agents' staff and colleagues in the Ministry.

Sir Claude had neither. We can only express our surprise that anyone who knew him should have considered that he was a suitable person to be appointed to that position.

The staff of the Finance Directorate under Mr Challis were mostly out of their depths. While we have identified a number of individual lapses, the main responsibility within the Directorate for what happened was that of Mr Challis.

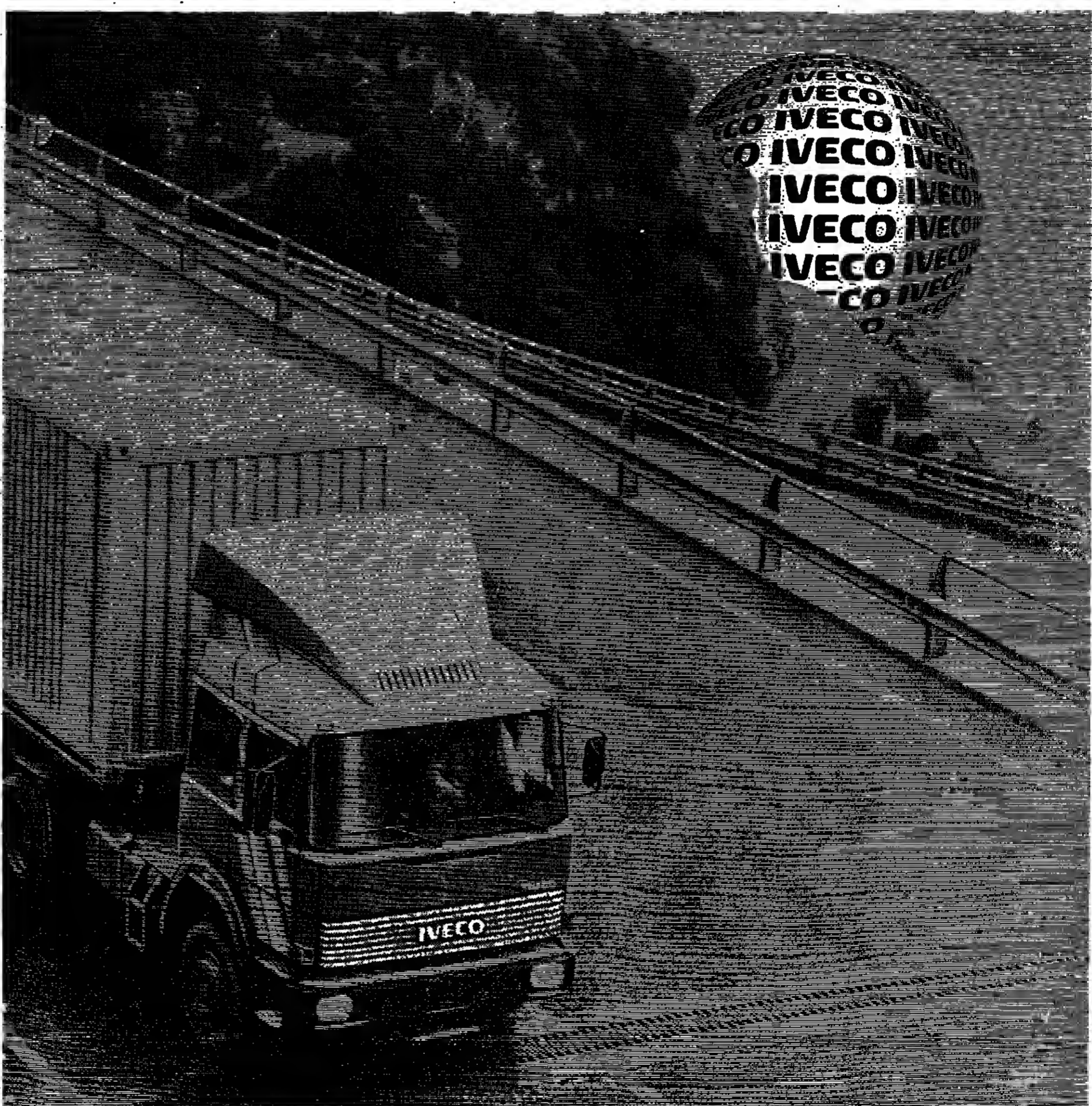
In 1969, Exchequer and Audit Department (E and AD), gave the Government a clear warning about the own account operations. Throughout the rest of the period covered by our Inquiry, this warning was never properly followed up. Instead the Ministry and the Treasury wrestled with the difficulties thrown up by the anomalous constitutional position of the Crown Agents, always in the expectation that if a new definition of the Ministry's relationship with the Crown Agents could be agreed, and if the Ministry's personal contacts with the Senior Crown Agent could be improved, then problems would be avoided in the future.

Within the Government, the Ministry accepted that it was responsible for the Crown Agents, although it appreciated that there was also a Treasury interest. It felt ill-equipped to assess or control the financial activities, but apart from setting up the Stevenson Committee, it never asked for advice from anyone and tended to keep the Treasury at arm's length. The Treasury correctly regarded the primary responsibility as belonging to the Ministry, but accepted that it had a responsibility to prod the Ministry if necessary. The Treasury looked to the Bank for advice on the banking aspects of the problem, and also expected to be warned by the Bank if it felt that the Crown Agents were acting imprudently or that their activities might give rise to a call on public funds. The Bank considered that responsibility for ensuring proper control of the Crown Agents lay with Government, but agreed that it had a duty to advise the Treasury on request and to alert it if it had grounds for concern about them.

The result of these relationships was that there was a great deal of activity with many papers passing to and fro, which only concealed the fact that nothing was being achieved. Many meetings, both departmental and interdepartmental, were called with no defined purpose and ended without anything having been decided and no course of action having been agreed. The situation cried out for someone to use some common sense, show some initiative, and grapple with the problem. But nobody took the lead.

The underlying failure in the Ministry was that it did not insist on knowing what the Crown Agents were doing. Once it had decided (as it did at an early stage) that the ultimate financial responsibility lay with the Government, it had a right to know the full facts, but it never insisted on its right.

The Treasury, despite its duty to protect the public purse and its knowledge that the Consolidated Fund might be at risk, never sought to insist on the Ministry's getting the information which would have revealed the extent of that risk. It should have appreciated that the Ministry was not coping. Within the Bank, there was some confusion about its responsibilities. We think that this was one reason for its failure to do as much as it should have done. It initiated some enquiries about the own account activities but it did not adequately inform either the Treasury or the Committee about the matters which, in the light of those enquiries, caused



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TECHNOLOGY

EDITED BY ALAN CANE

# Highlighting the Prestel weaknesses

BY ALAN CANE

A COUPLE of years ago, Mrs Margaret Thatcher had her first "hands-on" experience of Prestel in the London offices of Logica, the software and systems company.

She was clearly impressed with the demonstration and asked to be shown the weather forecast, perhaps to lighten the mood after a series of frames illustrating the UK's economic performance.

The demonstrator went through the elaborate search procedure, narrowing down the subject area with each set of keystrokes. Somewhere, he made a tiny error, the search sequence was ruined and the only chance of recovery was to start from the beginning again.

It was out of the question. Mrs Thatcher was making her first visit as Prime Minister to the computing services industry and time was at a premium. Hurdled, she went on to the next demonstration.

This anecdote illustrates one of the greatest weaknesses of the Prestel system—finding the information required is time-consuming and laborious.

The point is hammered home in a new report on Prestel commissioned and published by the National Consumer Council.

Its author, Professor E. Scott Maynes of Cornell University in the U.S., says bluntly that the present tree-system for searching the Prestel database should be discarded.

He writes: "This is a drastic recommendation, especially as the tree index was conceived as a simple to use index (the concern of its creators for simplicity is evident; but there is no evidence of a matching concern for the money and psychological costs this index imposes on users)."

He goes on: "Prestel was conceived for self-operation by users in their own homes. The difficulties encountered in this investigation raise the issue of whether this mode of access is optimal or even feasible."

He is no happier about the printed index: "This is unsatisfactory and should be revised and greatly expanded."

The Scott Maynes report will add further fuel to the controversy over Prestel, hailed as a

major UK breakthrough in bringing computerised information services to the public at low cost, the service, run by British Telecom, has steadfastly refused to fulfil the expectations of its designers.

Briefly, Prestel consists of a large computer which stores a large amount of information in its memory organised into "pages" which fit on the screen of a domestic television set. The Prestel computer can be dialled using the domestic telephone; pages of information called up using a calculator-like keypad.

The information is transmitted from the Prestel computer to the home over the telephone lines and displayed on the television screen.

It is cheap computing for the general public. What BT failed to anticipate was the lack of demand for information at a price in the home. Later marketing strategies have placed the emphasis on selling to the business community.

On costs, Professor Scott Maynes argues that Prestel time charges of £4.74 an hour at peak

and £1.06 in cheap periods are no great obstacle to the business community: "Certainly, businesses know how to deal with them."

"If the benefits they receive are judged to exceed £4.74 or £1.06 respectively, then businesses will install Prestel receivers (an additional fixed cost) and recover all these costs from their customers."

But for the domestic consumer, Professor Scott Maynes believes that these charges will be seen as a substantial impediment to use.

He identifies the fact that most people see information of the kind provided on Prestel as a free good: "These charges are a vivid contrast to most of the information sources that consumers presently use."

The report is critical of the quality of many Prestel files; Professor Scott Maynes says his investigations clearly show that many files were not tested before placed on the database: "It would seem imperative that every file is tested before it is introduced."

He asks for a monitoring

system to check the quality of the files on a random basis but queries who should undertake that role and how it should be financed.

The natural candidate, British Telecom, has from the very start of Prestel eschewed the role of monitor. Even if BT had not taken this position, any others sensitive on matters of civil liberties, regard errors as preferable to possible censorship or dictatorship.

He proposes that BT or the information providers might set up a small organisation (one or two people) who, under the control of a committee elected by the information providers, would carry out and report on checks of the quality of Prestel files.

The report calls for more research into ways of making Prestel simple to use—key word searches using several key words simultaneously might solve domestic consumer's search problems, it suggests.

Certainly such a system might have warned Mrs Thatcher that conditions would continue cold and unseasonable with aqualis

# Plasma plant for steel recovery

By WILLIAM DULLFORCE in Stockholm

SKF STEEL ENGINEERING, a subsidiary of the Swedish Rolling Bearings Group, is to build a Kr150m (£14.4m, \$26m) plant using plasma technology to recover valuable metals from the bag-house dust from the steel industry.

The plant, described as the first of its kind in the world, will be situated at Landskrona in south-west Sweden. With an annual capacity of 70,000 tons a year it will primarily serve Scandinavian steel works but should also be able to receive dust from mills on the Continent.

The dust from the exhaust filters of steel works contains iron, zinc, nickel, chromium and molybdenum. Until now it has usually been deposited in waste dumps from which the metals leach into the ground water.

The plasma dust method to be used in the Landskrona plant derives from SKF's work in adapting plasma technology to iron making. Plasma

is the state of ionisation to which gases are transformed when heated to very high temperatures.

Plasma generators were developed during the U.S. space research programme to simulate the temperatures to which the nose cones and heat shields of space capsules would be exposed. SKF Steel has adapted plasma generators for metallurgical reduction processes.

A separate company, Scandust, is being formed to manage the Landskrona plant which is scheduled to start operating towards the end of 1984. SKF is investing Kr 20m in share capital.

A further Kr 23m will be invested by Landskrona Plasma, an investment company established by northern Swedish banks and companies to provide new industries for Landskrona where the main employer, The Oresund shipyard, is being closed down.

The Scandust plant will be installed in the yard build-

ings. Heat recovered from the plant will be used by Landskrona municipality for district central heating. This is expected to amount to some 45 GWh or the equivalent of 4,500 cubic metres of oil a year.

Sweden's national environmental protection board will make a grant of more than Kr 25m to Scandust. Mr Valfrid Paulsson, the board's director general, says the project will solve one of the most serious environmental problems within the steel industry.

The plasma technology used by SKF is far more economical than other methods so far tested because, according to Mr Paulsson, it recovers directly in a metal form valuable metals from all kinds of steel furnace dust.

Mr Karl-Edvard Sundberg, executive director of SKF Steel, described the Scandust plant as a commercial breakthrough for his company's plasma technology.

## Viewers pronounce 3D TV a success

THREE-DIMENSIONAL TV (it reared its head with the latest Philips experiments in Holland, this page April 20) apparently proved popular with TV viewers on May 4.

Philips provided 3D cameras and red and green spectacles for the TV 3D broadcasts of the network's "Real World Science" programme.

The Philips follow-up survey claims that more than 1m

viewers forsok Crossroads; a quarter of the people in the TVS area took the trouble to watch and about two-thirds used their 3D specs.

Eighty per cent thought the 3D effect realistic, 77 per cent thought it was a good picture, 76 per cent were "excited" by the experiment, 77 per cent were impressed and 80 per cent thought it had great TV potential.

Philips says that "men and younger people were the most impressed." Almost 90 per cent said that if a 3D feature film was shown they would probably watch.

About half the people surveyed thought that 3D in colour should be the next main TV development but 40 per cent would prefer more channels and 36 per cent would prefer stereo sound.



## Aluminium scrap recipe for turning out high value radiator tubing

THE Springfields Laboratory near Preston has a recipe for turning aluminium scrap into big money. First, take your scrap and grind it to powder in a standard comminuting machine in a corner of the factory. Then, put the powder into a specially modified Conform extrusion machine. Within minutes, you can produce yards and yards of perfect, high value tubing or strip.

It can be sold as tubing for commercial or private vehicle radiator manufacture. It could be curtain rail, carpet edging or draught excluder strip, dependent on the set of dies used in the machine.

Whatever the final product, the Springfields Laboratory, forming part of the Northern Division of the UK Atomic Energy Authority, claims energy savings of up to 98 per cent in comparison with conventional methods of recycling aluminium or copper scrap. This British technique is now ready for demonstration by the Laboratory's Advanced Metal Forming Group.

Normally, scrap from aluminium alloy stampings or extrusions is collected from a factory by a scrap merchant, who delivers it in a recycling plant, where it is melted down and cast into billets or rods. These are then sold on to factories that extrude with

heavy presses. Each stage of this process demands considerable consumption of fuel for transport, melting and extruding. If a factory can convert its own scrap into a valuable end product on its own premises, there are huge savings.

The process is continuous, so any length of product can be extruded in very accurate dimensions. The laboratory is now keen to develop the process in co-operation with manufacturers of aluminium or copper extruded products or with scrap recycling companies that might wish to move straight into the finished goods market.

The Conform machines are made under licence in the UK by Babcock Wire Equipment of Ashford, Kent, and Holton Machinery of Poole, Dorset. More on 0772-728262.

Continuous The breakthrough has been made possible by the UKAE extrusion system which feeds powder or granules via a grooved wheel, forcing it against a die shoe, so that the very friction causes the metal to flow into the die.

The process is continuous, so any length of product can be extruded in very accurate dimensions. The laboratory is now keen to develop the process in co-operation with manufacturers of aluminium or copper extruded products or with scrap recycling companies that might wish to move straight into the finished goods market.

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## London police choose Logica Focus system

FOLLOWING YESTERDAY'S story on this page about the De La Rue purchase from Rockwell Corporation of Printrak, the U.S.-based, computerised fingerprint-matching system, one of Britain's leading computer systems/software houses, Logica, has announced that its Focus system has been chosen by London's Metropolitan Police.

This is Logica's first sale of the system and it is worth £1.5m; it will make an excellent basis for the sale of Focus to other police forces.

It is the culmination of a 10-year research programme, carried out by a joint team from the Home Office and New Scotland Yard. Installed for the Yard's fingerprint branch, Focus will

be able to store some 660,000 prints and 100,000 "marks" which are partial prints obtained at the scene of the crime. The speed of the system will allow 200 to 300 marks to be matched daily against the prints held in store.

The fingerprint officer sits at a work station where he can introduce prints and marks with associated data on crime type, location and pattern classification.

Prints and marks are scanned, stored and coded in terms of their ridges and features for computer comparison. However, with marks the officer can apply his own judgment, on an editing screen, to assist the machine.

## Spar delivers first Anik satellites

SPAR Aerospace, the Canadian company, has now delivered the first two of the series of Anik D communication satellites, to Telesat, Canada.

Anik D is designed to replace the A series and will have 24 channels 6/4 GHz to be used for TV, telephones and data transmission.

The first is due for launch by NASA from Florida on August 12.

## Fire door magnet

A RANGE of ac and dc magnets designed to hold open fire doors has been introduced by Clarke Instruments of Camberley, Surrey. The assembly is 48 mm in diameter. The ac version dissipates 5 watts at full setting with a maximum holding force of 20 kg. Details on 0276 27105.

## Check on judder


PREDICTING the probability of judder in the rotating and slewing mechanisms of cranes, manipulator arms or other gear-driven machinery is the subject of a leaflet by Frazer-Nash Consultancy. Copies are available after a call to 01-977 0051.

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Companhia de Saneamento do Para - Cosanpa invites all interested companies to participate in Bid No. 128/82 for the Supply of Materials and/or Equipment for the Expansion of the Water Supply System of the City of Belém, State of Para, Brazil. The financial resources for the payment of the charges resulting from the bid will be provided by ANH - National Housing Bank, by the Government of the State through the Water and Sewer Financing Fund - FAPSA and by a loan taken by ANH from the International Reconstruction and Development Bank - IDB.

Listed below are the materials and/or equipment of the bid and their values, as also the amount of the bid bond for or by electronic receipt.

Lot 1: Motorpump and bench clamp assemblies for the Belém water meter. Value of lot: CR\$ 148,296,982.00 (Bid Bond: CR\$ 1,000,000.00)

Lot 2: Pumps for the Guamá. Value of lot: CR\$ 18,000,000.00. Bid Bond: CR\$ 150,000.00

The pump manufacturers shall be fully responsible for the supply of all other items of each lot.

The bid is open to Brazilian companies and to companies from IDB member countries, from Switzerland and Taiwan.

The maximum period for delivery of the supplies is two hundred and forty (240) consecutive days for Lot 1 and one hundred and eighty (180) consecutive days for Lot 2.

The bid documents, including the applicable conditions, are available for consultation or purchase at the following address:

At: Megalhas Barata, No. 1201 Belém, Para, Brazil.

The notice may be acquired against payment to Cosanpa's Treasury of an amount of one hundred and fifty thousand cruzeiros (CR\$ 150,000.00) at the above address, from May 10 to June 14, 1982, from 8:00 to 11:00 am and from 2:00 to 5:00 pm. The bid bond is to be paid against receipt, to Cosanpa's Treasury until the day of receipt of the bids.

The bids are to be delivered at Cosanpa's Auditorium at Avenida Magalhães Barata, 1201, Belém, Para, Brazil, on June 15, 1982, at 8:30 am, at a public session before the Award Commission, specially appointed by the Board of Directors of Cosanpa for such purpose.

Further information can be obtained at Cosanpa (091) 226-2845. The Board of Directors Belém, May 8, 1982.

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The Dai-ichi Mutual Life Insurance Company	The Daiwa Bank, Limited
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April 1982

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London W1H 9FG

## TOP CALIBRE YOUNG ACCOUNTANT

c.£16,000 + Benefits

A Brand Leader in Consumer Goods is searching for an accountant (26-31) who can be regarded as a candidate for a senior financial appointment. Although technical expertise is essential the successful candidate will show-

- highly developed commercial awareness
- experience in or alongside marketing and manufacturing
- skill to motivate and lead people
- ability to think creatively and wield a 'sharp pencil'
- desire to get things done

The specific management position which will be offered will provide the successful candidate with an opportunity to demonstrate personal high achievement levels. The Company offer an excellent salary and benefit package including relocation expenses, if applicable to the West of London.

Interested applicants should submit full career details quoting ref. 824 to Nigel Hopkins F.C.A. at 31 Southampton Row, London WC1B 5HY. Telephone 01-405 0442.



**Michael Page Partnership**  
Recruitment Consultants  
London Birmingham Manchester

## Chief Accountant

Birmingham Substantial salary + car

Newey & Eyre Ltd., a Thomas Tilling company, is the undisputed leader in Electrical distribution in the U.K. Progressive, very expansive, we have well over £200 million turnover and almost 100 branches nationwide.

The appointment of Chief Accountant follows internal promotion and is a very senior role. Reporting to the Financial Controller, it carries overall responsibility for the company's accounting functions and involves leading a sizeable team of experienced departmental managers controlling over 200 staff.

Candidates should therefore be Chartered/Certified Accountants, aged 30-40, self motivating with at least 3 years' experience - outside the profession - of man-management, and running a large accounts department, within a commercial environment.

It is unlikely that anyone earning less than £12,000 p.a. will have sufficient weight and experience. Other rewards include a prestigious car, BUPA and appropriate relocation expenses if necessary.

Write giving comprehensive details of your c.v., please, to J.W. Exton, Group Personnel Manager, Newey & Eyre Group Ltd., Donne House, Calthorpe Road, Edgbaston, Birmingham.

**NEWHEY & EYRE LTD**

a member of Newey & Eyre Group,  
International Industrial Distributors

## Financial Controller

£10,000-£11,000 Isle of Wight

Whitaker International Limited, an expanding medium sized manufacturing company, market leaders in the manufacture and export of oil spill response equipment, are now seeking an experienced professional to co-ordinate and control their financial resources.

Reporting to the Board, responsibilities will include internal cost and management accounting, cash flow, provision of statutory accounts and computerised systems for bought and sales ledger and wages. As part of a small management team you will be involved in every aspect of the Company's operations including sales, contract negotiation and fixing costs for sub-contractors abroad.

Fully qualified, you will have held a similar responsible position in a medium sized manufacturing company. Experience of costing large contracts up to £1m and familiarity with International Financial Transactions, Exchange Rates and letters of credit are essential.



Write or phone David Kennedy,  
PER, 62-64 High Street  
Southampton SO9 2EG  
Tel: Southampton 38211

Applications are welcome  
from both men and women

## Financial Controller

WEST OF IRELAND

- Our client, Asahi Synthetic Fibres (Ireland) Ltd., is a leading multi-national manufacturing company. It employs about 500 people in Killaia, Co. Mayo, and produces mainly for export markets. The operation is well established and the above vacancy has now arisen.
- Reporting to the Managing Director, the appointee will be responsible for the company's overall financial and accounting functions. Particular tasks will include cash and foreign exchange management, management reporting, staff management and continued computerisation.
- The successful candidate will be a qualified accountant, preferably aged 35-45 years. Previous experience in managing a well developed finance function is essential as is the ability to contribute effectively to top level decision-making.
- This position is a demanding one which offers considerable scope for career and professional development. An attractive salary package, including company car, will be offered and relocation expenses will be paid.

If you would like to be considered for the above appointment please contact John Casey at Dublin 684055 or write to him in confidence at the address below.

**Price  
Waterhouse Associates**  
Management Consultants

MAS 265  
Gardiner House  
Ballsbridge  
Dublin 4

## U.S. Accounting

C. London c. £11,000

The Headquarters of a world-wide high technology group, our client now seeks a further qualified accountant for the corporate accounting area. You will form part of a team responsible for the control and analysis of operating company results; you will also be particularly involved in legal consolidations and currency reporting to the American parent company. The company utilises sophisticated computerised systems and mini/micro computers for processing and analytical purposes.

Ideally aged 25/30, you will be a qualified accountant and probably a graduate. You should have up to 2 years' post qualifying experience, with exposure to corporate accounting or US statutory reporting requirements. Ambition and management potential will be well rewarded in this progressive group where promotion prospects are excellent. Please telephone or write to Rebecca Goddard quoting ref. RG 6091.



**Lloyd Chapman  
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761

## CONTINENTAL BANK

## Qualified Accountants International Audit

The Continental Illinois National Bank and Trust Company of Chicago is a major international bank with European Headquarters in London and an extensive network of branches and subsidiaries worldwide.

We require recently qualified Accountants (ACA/ACCA) to join a small team responsible for providing financial and operational auditing services to our European network. Management potential is developed by exposure to internal and external courses and there are excellent prospects for a career in mainstream banking.

The position will involve approximately 60% travel and offers an attractive salary and first-class benefits including subsidised mortgage and personal loan facilities and non-contributory pension scheme.

Please send detailed c.v. or telephone for an application form to:

Personnel Dept,  
Continental Illinois Corporation,  
Continental Bank House,  
182 Queen Victoria Street,  
London EC4V 4BS.  
Tel: 01-236 7444.

Continental Illinois National Bank and Trust Company of Chicago

In Europe: Amsterdam, Antwerp, Athens, Barcelona, Brussels, Frankfurt, London, Madrid, Milan, Paris, Rome, The Hague, Zurich.

ACCOUNTANCY APPOINTMENTS  
APPEAR EVERY THURSDAY

# Accountancy Appointments

## Financial Planning

Rising young accountant 25-29  
From £16,500 + benefits

Pedigree Petfoods is a substantial and highly successful division of an international group whose annual UK turnover tops £800 million and which is respected for the precision, discipline and effectiveness of its advanced planning and financial control systems. The objective of the Planning Accountant is to evaluate and critically review corporate financial performance in a competitive, high-volume consumer market.

Operating from within the Financial Planning Department, your prime tasks will be the preparation of financial forecasts covering intervals from a few weeks to several years, evaluating the financial implications of marketing strategy, and capital expenditure forecasting and appraisal.

Since the post demands considerably greater influence on the business than the typical financial reporting role, you will be expected not merely to assemble very complex and detailed information, but also to weigh it critically, and to gain acceptance of your own proposals for any necessary corrective action.

You will certainly be a qualified accountant, academically impressive, whose powers of analysis and interpretation are equally keen. You will be attracted by the challenge of this important post, which offers ample scope for your high potential as demonstrated by an impressive track record to date - ideally achieved in the management accounting function of a consumerables manufacturing company. Computerised financial modelling experience would be an advantage.

The starting salary reflects the influence, centrality and visibility of the post, and the demands which will be placed on it. Company and Group opportunities for advancement are good: indeed this vacancy arises through promotion. The comprehensive benefits package includes assistance with relocation to this attractive low-cost housing area.

For more information and an application form, please telephone Howell Wilson-Price, Management Development Office, on 0664 64171, ext. 3034.

Pedigree Petfoods, National Office, Waltham-on-the-Wolds, Melton Mowbray, Leicestershire, LE14 4RS.

Pedigree Petfoods

Pedigree Chum Whiskas Kitekat Pal

## YOUNG ACCOUNTANTS PUBLISHING

£12 - 14,000

A well known and respected publishing organisation, our London based client has a turnover of £100 million. As part of a requirement to improve efficiency and control, the financial function is currently being strengthened.

The company now wishes to recruit three young accountants for positions in management accounting, financial accounting and systems projects.

Each of the three positions will have substantial exposure to senior management. Responsibilities will vary but will include line management and systems development, involving computerisation if required. The positions will demand good analytical ability and a high level of technical competence. A premium will be placed upon initiative and flair.

The positions report to a high quality and progressive Chief Accountant, require considerable inter-personal skills and could lead to a substantial increase in responsibility. Aged 25-30, applicants (male or female) should be qualified accountants from industry or the profession. Please telephone or write to David Hogg FCA quoting reference I/2128.

EMA Management Personnel Ltd.  
Hollon House, 20/23 Hollon, London EC1N 2JD  
Telephone: 01-242 7773 (24 hours).

## MANCHESTER INTERNATIONAL AIRPORT

### DIRECTOR OF FINANCE AND ADMINISTRATION

Salary—£20,250 to £21,402 per annum

Manchester International Airport is the largest municipally-owned airport in the U.K. expecting to handle 5m passengers in 1982, with a total income in excess of £39m in the financial year 1981-82.

The Director of Finance and Administration is responsible for all financial and administrative matters including advising on the determination of and the implementation and monitoring of financial policies and exercising overall control over the Finance and Administration Divisions.

Applicants must have proven management ability in the financial field at a senior level in a large organisation and should possess a degree and/or an appropriate accountancy qualification (preferably Chartered, I.C.M.A. or C.I.P.F.A.). Legal and administrative experience would be advantageous. Application form (returnable by 21st June 1982) and further details available from the Head of Personnel Services, Manchester International Airport Authority, Manchester M22 5PA. Tel: 061-489 3714.

## Influence Management Decisions

Are you a successful Accountant with at least 2 years Post Qualifying experience gained either in a Professional Practice or Industrial Organisation? If so, would you be interested in making a positive contribution to the success of a quoted Company involved in the manufacture and distribution of capital equipment.

Playing a key role in a small team and reporting to the Group Financial Director, your main responsibilities will be to monitor the performance of subsidiaries and provide management with meaningful financial information. This will include verifying the accuracy of financial reports as well as carrying out a wide variety of ad hoc projects.

In your late 20's or early 30's you will possess the personal qualities necessary to establish close liaison with your colleagues in the Group and to deal successfully with senior levels of management. Based in South London, there will be limited overseas travel and a second language, either French or German would be an advantage, though this is not essential.

The starting salary of £12,000 + Company Car will be supplemented by the normal benefits associated with a large company. To apply ring or write to Barbara Lord, Clippes, Sears & Associates, Personnel Consultants, Borne House, 88 - 89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701 (24 hours).

(This position is open to both men and women)

Cripps, Sears

## Financial Accountant

— ACA or ACCA

Our Financial Accounts department in Peterborough has a vacancy for a young qualified accountant. The functions of the Financial Accounts department include Sales Invoicing, Credit Control, Product Stock Control, Financial Reporting, Salaries, Subsidiary Companies Accounts, Computer Data and Run Control, Preparation and Analysis of Year End Accounts including taxation and contribution to Monthly Management Accounts.

The successful candidate will have commercial or industrial experience including Taxation. Familiarity with computerised accounting systems and the ability to work to a strict timetable are essential. The position will provide an excellent opportunity to gain experience in the management of an Accounts Department in a large company. Salary will be of the order of £12,000 per annum and the package of fringe benefits will include assistance for relocation to this pleasant rural area, where appropriate.

Applicants (male or female) aged 25 to 35, should write enclosing a detailed C.V. and salary progression to:-

Mr. D. E. Ash, Personnel Services & Staff Development Manager, British Sugar plc, P.O. Box 26, Uddle Road, Peterborough, PE2 9QL



BRITISH SUGAR  
Peterborough

## Young Tax Specialist

Holborn c.£15,000

You are a young Chartered Accountant currently specialising in personal taxation and anxious to make your mark in a more entrepreneurial environment.

Our client is a prestigious and rapidly expanding financial consultancy providing investment, taxation and management services. This new post offers an unusual opportunity to further develop the taxation practice, including planning, computation, negotiation and related accountancy functions where appropriate. Real directorship prospects.

For full job description write in confidence to John Curtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting 9002/FT. Both men and women may apply.

## John Curtis and Partners

### GROUP FINANCIAL CONTROLLER

(Designate)

salary negotiable

Qualified accountants required for a leading and expanding independent computer systems house based in Hertfordshire with five regional offices and two overseas subsidiaries.

The successful candidate will: manage the Group's financial functions to ensure a sound basis for planning and decision making; supervise the accounts department; further develop the accounting records using computerised systems; ensure the Group complies with statutory requirements.

Candidates will have had experience in developing computer based financial systems.

Apply with full cv to: KELVIN NEW, SAYERS BUTTERWORTH, CHARTERED ACCOUNTANTS 16 BENTLEY STREET, LONDON W1M 5RL

## UK & INTERNATIONAL APPOINTMENTS

### NEW OPERATION

This well known multinational seeks a Senior Internal Auditor to assist in setting up the central department. 28-35 Qualified with sound operations experience in industry and the ability to make a commercial decision with tact. The scope for involvement is unlimited. CITY. Ref RP/2177A.

### INTERNATIONAL TAX

A major corporation within the entertainment industry can offer a bright young accountant both an excellent learning environment and international experience. This varied role involves tax planning and administration for countries worldwide. The successful candidate will possess a sound knowledge of corporate tax and will be an effective communicator. AMSTERDAM. Ref JG/1017A.

### €15K + Car

TROUBLESHOOTER: Independent outlook, good commercial judgement, seeking broad involvement at operating level? The post involves covering the international operation of this European multinational, on-site problem-solving at units world-wide, ensuring the smooth functioning of all financial control procedures. ACA/ACCA, 25-30, 2 years POE plus European language useful. BASED WEST END. Ref SC/1089A.

### €12,000

H.O. ACCOUNTANTS: Excellent career openings within two major UK groups for recently qualified ACA's with the drive for success. Project and management accounting, cash management, consolidations. Candidates should have sound track records and the ability to communicate. Opportunities for promotion exist within the UK and abroad. CENTRAL LONDON. Ref/2119A & SC/1040A.

### €71,800

MBA+: A competitive US energy group is seeking a bright young MBA or graduate ACA for a stimulating role within its highly professional finance function. The position is designed to provide Treasury support to a major sector of the group on all matters related to project financing and credit insurance. SURREY. Ref VMD/2140A.

LEE HOUSE, LONDON WALL, EC2. 01-606-6771

## ROBERT HALF

ACCOUNTING, FINANCIAL AND BANKING RECRUITMENT & SEARCH CONSULTANTS

ACCOUNTANCY APPOINTMENTS  
Rate £29.00  
Per Single Column Centimetre

## European Tax Manager

Dowell Schlumberger is a respected multinational Company that provides a variety of highly specialised services in the oil industry. In little more than 20 years we have expanded rapidly to share market leadership in this tough and exciting international industry.

A vacancy now exists for the position of Region Tax Manager (male or female) with total responsibility for the European section of the Company, based in our London Office.

Responsibilities will include:-

- Total responsibility for tax planning
  - Supervision of all fiscal accounts
  - Participation in planning of Company reorganisation
  - Co-ordination with external tax or legal advisors
- Personal requirements:-
- Between 25-35 years old
  - Possess an accounting qualification
  - Experienced in tax planning and Company reorganisation, preferably European
  - Foreign languages an advantage but not essential

A generous salary commensurate with experience will be given. Other benefits include BUPA scheme, non contributory pension, life assurance etc.

This position will provide a basis for future development and promotions within Dowell Schlumberger and our parent Companies, requiring international relocation.

Applications are invited from only E.E.C. passport holder. Please send detailed C.V. in confidence to: Mr Sieve O'Rear, Region Recruiter, Dowell Schlumberger, Marble Arch House, 66/68 Seymour Street, London W1H 5AF. Tel: 01-262 5033.

DOWELL Schlumberger

## MANAGEMENT ACCOUNTANT

Leisure Industry

c£16,000 + car

This is a new appointment based in London and reporting to the Finance Director of a highly profitable market leader.

They seek a qualified accountant (age 25-35) whose approach, personality and track record will significantly contribute to the analysis and reporting of financial performance.

Experience and qualities should include:-

- Financial analysis and reporting
- Keen profit awareness
- Drive, ambition and creativity
- Communication skills
- Large company exposure

Candidates should submit full career details quoting ref 828 to Philip Cartwright A.C.M.A., at 31, Southampton Row, London WC1B 5HY. Telephone: 01-405 0442.

## Michael Page Partnership

Recruitment Consultants  
London Birmingham Manchester

## Adcock Simkin

### GROUP ACCOUNTANT £11,500-£13,000

West End

Publicly-quoted Group

ACA/ACCA (25-32) to join a Group Finance team offering a wealth of expertise in such areas as Fund Management, acquisitions, planning and consolidations.

With potential of the candidate being paramount the Group is open-minded on the extent of post-qualification experience and is equally keen to entertain applicants direct from a professional office as those with exposure to commercial/industrial accounting.

Responsible to Financial Controller you will interface with Senior Managers at both Group and local level, thus enjoying an excellent opportunity to become familiar with the financial policies of a profitable Public Group and the effective interpretation of these policies within autonomous operating subsidiaries and divisions.

Define scope for fast career progression in the Group.

In the first instance contact: J.R. ADCOCK

307-308 HIGH HOLBORN, LONDON WC1V 7LL Tel: 01-405 6655

### Opportunities within the Profession

#### CARIBBEAN

Numerous positions presently exist in various countries, ranging from assistant Supervisors to audit managers. Salaries range from £10,000 to in excess of £20,000 tax free. Excellent promotion prospects for the successful qualified applicants.

Telephone 01-481 8111 for an initial confidential discussion.

#### U.K.

Vacancies currently exist for newly qualified A.C.A.'s with University degrees. This represents an ideal opportunity, to work in management consultancy with major firms in the field. Salaries will range up to £14,000 p.a.



BANKING & ACCOUNTANCY PERSONNEL SELECTION

### GROUP CHIEF ACCOUNTANT

A group with substantial industrial and distribution interests which are located principally in the London area wishes to recruit for its Head Office a self-motivated, professionally qualified Chief Accountant.

Duties include: preparation of financial accounts and their consolidation; financial forecasting and provision of management information including cash flow reporting; importance is attached to financial planning and the introduction of computerised systems along with development of management reporting procedures. The position will appeal to those who can demonstrate a proven track record of successful operation, initiative and responsibility at a senior level in a business environment. Excellent salary and fringe benefits.

Write: Box A288, Financial Times, 10 Cannon Street, EC4A 3DF





**JOBS COLUMN**

**The dangerous split still lurks in society**

BY MICHAEL DIXON

THERE finally struggled into print this week some news from a social survey initiated after last summer's riots by the Committee for Research into Public Attitudes, but evidently kept unpublished. The news came in an article by David Marsland, a Brunel University sociologist who has seen a summary of the survey's findings, in a booklet called *Educated for Employment?*

The young people and the unemployed who were questioned, he says, were more sympathetic with the rioters than with the police. The older people taken as a whole, on the other hand, took the police's side.

"The survey research shows a polarisation between young and adult society with ominous potential for generational conflict, extremist political manipulation, crime and social disintegration," Mr Marsland comments.

The danger of the split which he so describes has almost certainly been lessened by the public mood stimulated by the Falklands conflict. But the danger will go on lurking beneath the externally generated mood of unity unless effective ways are found of removing the cause of the split. And it is generally agreed that the cause is high unemployment.

*\* Published by the Social Affairs Unit, 2, Lord North Street, London SW1P 3LB; £2.95.*

ment quite possibly of long-term duration, especially among young people and more especially among those who have failed to respond to their 11 years of compulsory education.

But "unemployment" is arguably too coarse a term to describe the position of jobless teenagers. It could well be more productive to say that they are stuck in a gap between education which is supposed to prepare youngsters for adult life including work, and work itself.

So there would seem to be two broad ways of occupying their time in the interval. One is to continue preparing them for working life by providing training, which is essentially to go on treating them as dependent children. The other is to give them the adult responsibility of doing actual work.

The UK Government is taking in large measure the training approach, which the survey reported by David Marsland shows to be the one most supported by older and younger people alike. About 80 per cent of both age-divisions favoured the provision of two years of training for school-leavers to develop working skills.

But Mr Marsland adds that this support fell away when people were faced with questions about the practical consequences of providing such a programme, such as the higher taxes needed to meet its costs. Besides there is evidence to

doubt that the teenagers with the greatest handicap — those who have been little but bored and demoralised by their 11 years in school — will generally respond more keenly to training courses.

However practical as distinct from academic these courses are made, they will surely still represent to the "in-betweens" who are supposed to attend them a backgrading to the status of childhood. For whatever is done to simulate real working conditions in the training activities, they will inevitably lack the one factor which properly confers adult status: namely, that the activity has real-life results.

A more promising way of tackling the dangerous split, David Marsland thinks, would be to take the alternative approach of providing teenagers stuck in the gap with the opportunity of doing real work. The vehicle could be "national social service" whereby young people would spend a period doing important but non-economic jobs such as working in hospitals, caring for the elderly or the mentally ill, renovation and repairs to empty houses, environmental conservation or similar useful jobs.

He says that the idea of national service of this kind found almost as much support both from the older and younger people who were questioned, as the notion of two years industrial training.

There are drawbacks of course. For example, the Jobs Column is convinced that the older it gets the less it will want to risk being cared for by young people of the kind who starred in the televised riots of last summer.

But Mr Marsland's approach would seem to offer at least as good a chance of converting such youngsters to a less anti-social attitude, as the training programme can.

It would therefore seem worthwhile to explore the alternative of national social service by setting up experiments on a fairly large scale, and treating these activities as deserving of at least as much social esteem as industrial training. For there could be few ways of worsening the dangerous split in society more efficiently than presenting school-leavers with a three-per cent pecking order: more education for the bright, training for the dim, and social community projects for the yobboes only.

**Trio**

RECRUITER Tony Barker is seeking three people for two British public companies, neither of which he may name. So be like the other headhunter to be mentioned later, promises confidential treatment to any applicant who requests it. One of the openings is for

a managing director with a concern concentrating on the sale and rental of tools for the oil industry, such as those for drilling wells, which supplies all the major fields in the North Sea. Based in Aberdeen, the newcomer will have shown strong commercial acumen and have thorough knowledge of the oil industry. Salary indicator is about £30,000.

The other two are based in London, but are for regional directors respectively concerned with the Middle East and the Far East where the employer — a civil engineering contractor — already has large and complex contracts and plans to expand.

Candidates must be qualified civil or structural engineers with demonstrable ability to control project managers engaged in major operations. The most suitable background would be the management of smaller-scale contracts throughout the two regions of the world in question. But applications would be welcome from experienced managers who have done comparable work in other parts or whose responsibilities have covered only smaller areas.

Those who have been successful in generating new business while in charge of overseas contracts would have an advantage.

The age range for the two regional directors' jobs is quoted as 35 to 55, which compares with 35-50 for the managing director's post.

The salaries for the regional chiefs will be about £25,000. Inquiries to Anthony Barker Consultants, 67-68 New Bond Street, London W1Y 9DF; telephone 01-408 1612, telex 299004.

**Insurance**

REVIVAL of recruitment activity in the City of London is reported by consultant Leslie Coulthard. "Several of my clients are plucking up courage to think of expanding into new activities, with a consequent need for new staff," he says. "This is always a more pleasant task than finding a replacement for some poor chap who has been found wanting!"

His particular concern at the moment is the recruitment of two insurance brokers. One will be a successful specialist in "excess of loss," and the other similarly expert in oil and energy business. Both newcomers will have the responsibility of setting up new departments in their respective speciality for an expansion-minded insurance broking company.

Basic salary could go up to £35,000 or so. There will also be a bonus on performance. Other benefits are for negotiation. Promotion to directorships is an early prospect.

Inquiries to Leslie Coulthard Associates, 10 Wallside, Monkwell Square, London Wall, London EC2Y 8BH; tel. 01-488 4234.

**INTERNATIONAL LOANS**

City to £1,000

A noted and rapidly expanding European banking group seeks to recruit additional personnel to assist with the continued development of their international loan portfolio.

The initial appointment will be either as a Loans Officer or a Credit Analyst, depending upon current levels of experience. It is envisaged, though, that in a relatively short period, successful candidates will gain substantial exposure to client liaison and business development.

These opportunities will appeal to young bankers with a sound credit training and ambition to succeed in a dynamic environment. Language ability is seen as particularly useful.

Applicants seeking a stimulating challenge directly related to the role of the European bank within the city institutional framework should contact Roger Tipple, Manager, Banking and Finance Division on 01-242 0965 or write with brief curriculum vitae to him at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

**MP**  
Michael Page Partnership  
Recruitment Consultants  
London Birmingham Manchester

**Senior Business Development Officer**

Governmental/Corporate Lending

remuneration negotiable

A rapidly expanding overseas bank is seeking an outstanding business development officer for its new London office.

The position entails the development of a range of corporate and governmental lending opportunities between the bank and UK/Middle East based clients, and the co-ordination of government backed financing.

Candidates, aged 30-45, must be graduates and must offer at least 8 years' relevant experience in commercial and merchant banking. Fluency in West European languages; in addition to English, is desirable.

Please write in confidence, to Michael Blanckenhagen, quoting reference 1516/L, at 165 Queen Victoria Street, London EC4V 3PD. Alternatively, telephone him on 01-236 8000, extension 2550.

Peat, Marwick, Mitchell & Co  
Executive Selection Division

**Investment Analyst Japanese Market**

Our client, a major international institution, seeks a young analyst of high calibre to specialise in the Japanese Market.

The successful candidate will have thorough experience of investment research gained over one to four years within a stockbroker or institution and will probably be a graduate aged 22-25. Whilst knowledge of the Japanese Market would be an asset, proven analytical ability and a keen interest in Japan are more important.

The position will involve taking over responsibility for coverage of the Japanese Market, working closely with the fund manager and contributing ideas and recommendations towards the management of the fund. Remuneration will be attractive to the right individual and will include a basic salary plus benefits.

Please contact Stephen Embleton or Elizabeth Evans, who will treat all enquiries in the strictest confidence.

**Stephens Associates**

International Recruitment Consultants  
44 Carter Lane, London EC4V 5BN. 01-236 7307

**Senior Financial Analyst**

Central London c.£16,000 plus car.

Our client is a broadly based Industrial Group with a turnover approaching £200m. The Group is essentially decentralised, subject to the monitoring of plans and performance through a small but high-calibre central finance department. Significant growth, both organic and by acquisition, is planned over the next few years.

This appointment reports to the Financial Controller and involves responsibility for research and investment of acquisitions, capital investment appraisal, financial modelling and the conduct of a wide range of ad hoc economic and financial studies. The person appointed will be a Chartered Accountant, preferably with a business degree and with relevant experience either in industry or the city, and is unlikely to be aged less than 28. Most importantly, however, the successful candidate will have been able to demonstrate a practical approach to business problems and the ability to establish good relationships with the management of operating companies.

Please write in confidence giving full career history, stating the names of any organisation to which your application may not be sent to: T. L. Roberts (Ref 175), Director.

**Whites**

Whites Recruitment Limited, 72 Fleet Street, London EC4Y 1JS

Offices: Aberdeen, Bristol, Leeds, London, Manchester and Wolverhampton.

**Managing Director**

for a company whose success is based on high standards in design and quality for modern lighting equipment, sold predominantly through architects, engineers, large users and Government departments. Turnover is around £10m of which 20% is exported.

- Responsibility is to the Chairman. The main thrust will be to accelerate growth in Europe and increase market share in the UK.
- A strong marketing background is mandatory, with experience in selling through intermediaries. This could well have been gained in building products, electrical goods or contract furniture.
- The job will interest those aged 40-45 currently earning around £25,000.

Write in complete confidence to P.T. Prentice as adviser to the company.

**TYZACK & PARTNERS LTD**

MANAGEMENT CONSULTANTS  
10 HALLAM STREET LONDON W1N 6DJ

**LIFFE**

Credit Suisse First Boston Limited, the leading international investment bank, is looking to appoint an experienced trader as its chief floor trader on LIFFE. Candidates should have a proven record in one or more of the following fields:

- Floor trading on any exchange
- CD or deposit trading or broking
- Foreign exchange trading or broking
- Financial futures trading

To attract the person with the necessary qualities for this key position, Credit Suisse First Boston is prepared to offer a highly competitive remuneration package. Applications, which will be treated in the strictest confidence, should include a full C.V. and be sent to: Mr. T.M.B. Kerrigan, Personnel Manager, Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ.

**CSFB**

**Manager Strategic Planning & Pricing**

£15-£15,000

Our clients are a well-established and profitable U.K. subsidiary of a major computer manufacturer with U.S. roots.

In order to meet the challenges of the coming years the organisation is undergoing significant change and paramount in this process is the need to develop and monitor strategic financial plans on a medium to long-term basis within marketing operations.

They are currently seeking to appoint a qualified Accountant (A.C.A., A.C.M.A.) in the age range 30-40, who has between 7 and 10 years' solid management accounting/financial analysis/planning experience together with a capability to develop and utilise computer-based modelling techniques.

Responsibilities will include the financial evaluation of strategic plans and positive involvement in their development; pricing

ing of new products and revisions to existing lines, for both U.K. and export markets.

The position demands an intelligent, capable and imaginative man or woman who, through self-motivation can make a positive and active contribution to the Company's plans. The appointee should be in no doubt as to the organisation's commitment to forward planning and the importance that is attached to product pricing, margins and financial strategy.

Our clients will negotiate a salary in the range of £13-£15,000 per annum together with normal benefits including contributory pension and BUPA schemes and free life assurance.

Please send a concise CV, together with details of current remuneration package to the Confidential Reply Service, Ref. AEM 354, Austin Knight Limited, 66a High Street, Egham, Surrey, TW20 9EX.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.



**Austin Knight Advertising**

**BANKING**

**OPERATIONS**  
An expanding and progressive international bank seeks operations specialists who can display an outstanding career to date in the area of banking. A good academic education will be required and experience should have preferably been gained with a leading U.S. or European bank. Salaries will be negotiable, but should not be a problem for suitably qualified, hence deserving candidates. REF: DE/2103A.

**EUROBOND TRADER**  
A young trader is required for the active trading room of a City based banking institution. Desiring mainly in straight in various currencies, you will have gained your experience to date with 'recognised' trading names. Prospects are good in this expanding operation. REF: DE/2102A.

**U. K. LENDING** c£12,000  
Prestigious City bank offers an excellent opportunity to a young banker wishing to progress their career. Having gained a good general education, you will have joined a London bank and have taken advantage of their credit training course prior to moving into lending. You should now have sound U.K. contacts and market knowledge, and be looking to use these attributes with a revered banking name. REF: DE/2101A.

APPLICATIONS WILL BE TREATED IN THE STRICTEST CONFIDENCE



**ROBERT HALF**  
SEARCH & RECRUITMENT

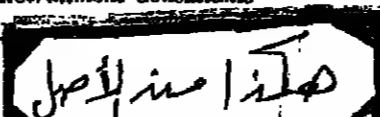
LEE HOUSE, LONDON WALL, EC2. 01-606 6771

**RECRUITMENT CONSULTANT**

Our well-established specialist banking division has a vacancy for a consultant. A background in banking is essential and preferably experience within the recruitment field. Our clients are City-based international and merchant banks. If you are seeking a rewarding career in the consultancy field please telephone Mrs. S. Arneil. This position is open to both male and female applicants.

**BSB Banking Appointments**

115-117 Cannon Street, London EC4N 5AN  
Telephone 01-623 7317 or 01-623 9161  
Recruitment Consultants



Handwritten note: *John W. 120*

### PROPERTY INVESTMENT EXPERT/MANAGER

We are a private international building and civil engineering company with property investments in the U.S.A. and U.K. We are seeking a person with appropriate qualifications and experience to:

1. Manage and monitor the existing portfolios which in the U.S.A. are managed by Agents
2. Investigate and propose further developments in the London area, particularly for renovation purposes

The person will be based in Romford, Essex, aged between 32 and 40 and a member of the R.I.C.S. with experience in the investment department of an industrial real estate company.

Please write with full details of experience and salary required to:

Managing Director

H. WEBB (CONSTRUCTION) LTD

Southend Arterial Road, Romford, Essex RM3 0NU

### INVESTMENT MANAGEMENT

City Age c. 25-35 c. £12,000 + benefits

As a result of a policy decision to manage its investments in-house, a specialist insurance company, with a substantial international portfolio, wishes to appoint an Assistant to the Finance Director. He or she must be highly numerate and is likely to have a professional qualification, for example as an actuary, accountant, or to have working experience as an economist, statistician, etc. This is a new post and as well as assisting in setting up and running the investment function, candidates must be prepared to work closely with the Finance Director on statistics, forecasts, etc. using sophisticated computerised systems. The person appointed will often represent the Finance Director and social skills are essential to facilitate contacts with senior management and clients.

Please apply to: Sir Timothy Hoare

Chichester House, Chichester Rents, Career plan LIMITED London WC2A 1EG. Tel: 01-242 5775



PERSONNEL CONSULTANTS

## Manager-Trust Services

### JERSEY

Arising from internal promotion and our continuing growth and development we wish to appoint a Manager - Trust Services of our substantial operations based in Jersey.

The successful applicant will have the following attributes:-

- \* Sound practical experience and knowledge of International Trust administration based off-shore.
- \* Ideally have obtained an accounting, banking or legal qualification
- \* Proven ability in successful man management
- \* Self-starter, able to contribute to the development of our business

Salary will be negotiable and in addition we provide usual banking fringe benefits.



Please write in strictest confidence to:- Malcolm Gates, Managing Director, Royal Trust Bank (Jersey) Ltd., Royal Trust House, P.O. Box 194, Colomberie, St. Helier, JERSEY.

## Thomas Tilling plc

A large and diversified international group with 45,000 employees and annual sales over £2 billion.



### Career opportunities at the Mayfair Headquarters

#### QUALIFIED ACCOUNTANT ECONOMIST

This appointment is in the Group Accounts Department as a member of a small team dealing with financial and management accounting, and business plans. The work is interesting and varied and involves close liaison with Senior Executives.

Candidates should be qualified accountants, aged 25/28, ideally with a university degree and experience with a major accounting firm. This is an outstanding opportunity for a young Accountant to gain first class business experience.

Please write in confidence giving details of age, education, qualifications and full career and salary progression to: The Chief Accountant.

Thomas Tilling plc, Crewe House, Curzon Street, London W1Y 8AX

This appointment is for an Economist to work on investment research and corporate planning. Duties include a wide range of economic and commercial analysis, forecasting of UK and overseas economies, and industry and company appraisals.

The successful candidate will be a practical and imaginative economist, aged 24/30, with a keen interest in business, at least 2 years' experience in UK industry or commerce and a high degree of initiative. Foreign languages would be advantageous.

Please write in confidence giving details of age, education, qualifications and full career and salary progression to: The Corporate Planning and Investment Research Manager.

### FOREX APPOINTMENTS

For Forex/LIFFE/Money Market appointments at all levels, discuss your needs, at no cost, with a specialist  
TERENCE STEPHENSON  
13/14 Little Britain  
London EC1A 7BX  
Tel: 01-606 6834  
20 years market experience

## Investment Management Worldwide ...from a London base c.£20,000+ car

This forward-looking British finance company, active in investment overseas, is seeking a manager to join its young enthusiastic team. This is a key appointment carrying responsibility for managing an existing £50 million investment portfolio, finding and negotiating investments in a defined world business area, and serving on boards of directors where appropriate. Around six overseas trips a year, each lasting some two weeks, are likely to be necessary. Probably aged 35-40, you must have a professional qualification or degree and in-depth experience of investment analysis in commerce, industry, merchant or international banking. A talent for recognising and completing sound

investment opportunities, and the skill to monitor and assist their progress must be allied to initiative, business acumen and the ability to work easily with all levels of management. Salary is negotiable around £20,000 plus car. Location is London.

Write for an application form or send brief CV to the address below, quoting ref: A438/7902/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants. Men and women may apply.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

## CJA

### RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374

Excellent ground floor dealing opportunity in investment market.



## ASSISTANT CONVERTIBLE BOND DEALER

£8,000 - £12,000

MAJOR INTERNATIONAL FINANCIAL INSTITUTION

We invite applications from candidates aged 23-27, who have worked in the City with either a leading stockbroker or international financial institution, preferably in a junior capacity in a trading environment. Our client has a leading position in the convertible bond market and the successful candidate will assist an established team in a demanding and active dealing room. Initial salary negotiable £8,000-£12,000 will be supplemented by a fringe benefit package. Applications in strict confidence under reference BD14148/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

### MANAGER - BANK CONTROL SECTION

Circa £8,750 per annum  
Thomas Cook seek a Manager (male or female) for their Mayfair offices with sound experience of international funds movements, sterling and foreign currency bank reconciliations and related credit control procedures.  
Please apply for application forms to Miss A. V. L. Wood, Personnel Manager, THOMAS COOK FINANCIAL SERVICES LTD., Personnel Dept., PO Box 36, Peterborough, Cambs or Tel: 01-493 7080 ext. 2155



## BANK MEES & HOPE NV

Dutch Merchant Bankers Since 1720

We will shortly be opening our London Branch and require applications for the following positions:-

**ADMINISTRATION** £10,000 neg.  
Supervisory position involving control of day-to-day administration and accounting functions of the Branch. Applicants should have at least five years experience, preferably with an international bank.

**F/X DEALER** neg.  
Applicants with five years minimum experience required to assist with setting up of new dealing operations. Knowledge of Eurocurrencies, Arbitrage and F/X are necessary.

**SENIOR LENDING OFFICER** £10,000 neg.  
This position requires an experienced banker to assist with the development of the bank's loan portfolio. Several years experience in international lending is essential and must include a sound knowledge of commodity finance.

Applicants for these positions should send their c.v. to Manager Operations, Bank Mees & Hope NV, 48-54, Moorgate, London EC2R 6EL.

## New Business Executive

### Industrial Hire Purchase

Atlas Hire Purchase, the asset based finance subsidiary of Grindlays Bank p.l.c., will shortly be expanding its hire purchase finance activities in both the South and North West of England and will require additional Marketing Managers to operate out of their London and Manchester offices.

The company provides financing mainly for capital intensive projects such as plant and machinery, commercial vehicles and car fleets and the executives will have profit centre responsibilities for the establishment and development of non-consumer hire purchase business.

The applicants, aged 28 to 38, should therefore have a wide range of existing industrial contacts at senior level, be self-starters and have highly successful careers to date in a new business capacity with a national finance scheme.

A five figure salary plus an additional incentive element is offered, together with a company car, and other benefits including a subsidised mortgage scheme, membership of BUPA and a non-contributory pension scheme.

Please send details of age, education, past experience and present salary to Alan Marvin, Atlas Hire Purchase Ltd., 13 St. James's Square, London SW1.

Atlas Hire Purchase Ltd.

## Chief Executive

GREATER MIDLANDS CO-OPERATIVE SOCIETY LIMITED

Due to the impending retirement of the present Chief Executive, the Directors invite applications for the appointment of his successor at a salary of not less than £35,000.

The Society is based in Birmingham, employing 4,000 people, with a turnover in 1981 of £113 million. The trading activities incorporate two superstores, 125 retail outlets covering various food, discount and department stores, dairy, bakery, and funeral service operations. The Chief Executive is responsible to the Board of Directors for the management of all activities in order to achieve the Society's corporate objectives.

Candidates, up to age 53, should preferably possess a high level of professional qualification and have gained practical experience ideally in a large, diverse commercial enterprise. They will need to demonstrate not only the relevance of their experience but also their interpretation of the future role and responsibilities of the appointment.

Please apply for information relating to the appointment and an Application Form which should be completed and returned by 25th June, 1982.



Applications to: Mr K. A. Dally, Chief Executive, Greater Midlands Co-operative Society Ltd., 27-28 High Street, Birmingham B4 7JF

## International Broadcast Media Executive

(2 vacancies—London based)

Airtime International, a subsidiary of Scottish Television, seeks applications for two high-calibre individuals wishing to become involved in all aspects of the overseas television and radio airtime sales contracts handled by the Company.

Suitable candidates aged between 25-35 years will be self-confident, well-groomed and have a degree in either law, economics, international politics or an equivalent discipline and preferably fluent in a second language.

Write for an application form to:-

Joothen F. Shier, Maoglog Director, Airtime International, 30, Old Burlington Street, London W1X 1LE.



## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

### Chartered Secretary

North Derbyshire - South Yorkshire Borders  
5 figure salary + car

This diverse Group of Companies with interests ranging from agriculture to refractories have an impressive record of growth over the last decade. As a result of these achievements, they are now seeking to appoint an additional Chartered Secretary to assist in the further development and control of this enterprise. Applicants, probably aged 30+, and essentially qualified ACIS, will have broadly based responsibilities including statutory duties, overseas corporate matters, health and safety, patents, payroll, industrial relations etc. Experienced candidates must have the flair and confidence to liaise effectively at all levels in an often pressurised and exciting environment. Long term career prospects are excellent as are the company benefits including re-location where necessary.

Ann Hill, Ref: 57234/FT. Male or female candidates should telephone in confidence for a Personal History Form 0742-731241, Bank House, 100 Queen Street, SHEFFIELD, S1 1UP.

### Bank Recruitment Specialists

#### INTERNATIONAL LENDING

**BUSINESS DEVELOPMENT** £20-25,000  
Our client is a prominent American bank, established in London for almost 20 years. The appointment, as Vice-President level within the European Business Development Group, calls for a seasoned international banker with proven corporate marketing and correspondent banking skills. Preference will be given to candidates who are fluent in either French or German and are aged in their mid-30s.

**MANAGER, LOANS ADMIN** £12-15,000  
Required to manage a department approximately 30-strong, at one of the largest international banks in London. All-round experience is required in Loans Administration (including syndicated and direct Sterling/Eurocurrency loans, money market loans, C.D.s etc.), coupled with proven management skills. Age preferred: 28-35.

**ACCOUNT OFFICER** £15,000+  
Correspondent Banking/Latin America  
Major U.S. corporate bank wishes to appoint an additional Account Officer to develop the bank's relations with Latin American financial institutions. The ideal candidate would be aged late 20s/early 30s, with a background including U.S. bank credit training, fluency in Spanish or Portuguese, and (preferably) two years' previous experience in correspondent banking/financial institutions marketing.

**GRADUATE BANKER** to £8,000  
Career opening in the Credit Department of a respected American bank, offering a period of formal training in the U.S.A. The person appointed will be aged in his or her mid-20s, with a good degree and approximately 10 months' 2 years' previous banking experience including some knowledge of credit appraisal.

Please telephone Leslie Squires, 01-248 7421 or 01-248 8376  
Anderson, Squires, Bank Recruitment Specialists  
Regent House, 1-5 Queen Street, London EC4N 1PF

Anderson, Squires



## Senior Consultants Financial Sector

SRI International (formerly the Stanford Research Institute) provides a leading role in the provision of strategic advice and operational assistance to financial institutions worldwide. Such advice is often given in a team environment which involves specialists in EDP Strategy and security.

The Institute wishes to recruit two senior professionals to join the staff of its London office (serving Europe, the Middle East and Africa) to undertake strategic, management and operational consulting, respectively, in this area.

**STRATEGIC** will interest candidates with a knowledge of the financial sector at a business oriented level, together with in-depth strategic level experience with a financial institution. Ref: 293/A.

**OPERATIONAL** will interest candidates with at least 7 years' experience in senior line management, and first-hand knowledge of computer techniques. Ref: 293/B.

Applicants for both positions need to have gained the highest level academic and professional qualifications, plus several years' experience with a leading consultancy organisation.

Please write, in confidence, quoting the appropriate reference and giving full details of personal and career history to:

W. J. Romanowski, Personnel Manager, SRI International, NLA Tower, 12-16 Addiscombe Road, Croydon CR0 0XT.

SRI International

# Senior Executive Financial Services

Our client has an impeccable reputation in the field of personal and corporate financial services. They are seeking to appoint a Senior Executive to be responsible for the control of the full range of those services, both personal and corporate, which are fully supported by an established management and staff.

This is a key role in the profitable expansion of the financial services function and you must, therefore, be able to demonstrate a combination of leadership and administrative abilities, as well as having marketing experience.

You are unlikely to be under 40 and should have a depth of experience of personal financial planning. You will also be familiar with the broader aspects of insurance broking, unit trust investments, personal tax and trust administration.

Salary will be attractive to those earning £20,000 plus. In addition there will be a company car, cheap mortgage facility, private medical insurance and pension & life assurance.

Please write, in confidence, with full career details and stating the names of any organisations in which you would not be interested, to: Brian P. Jones, (Ref: 747/FT), St. James's Corporate Communications Ltd., St. James's House, 4/7 Red Lion Court, Fleet Street, London EC4 3EB.

## St. James's

Corporate Communications Ltd

### The Investment Specialists' Consultancy

#### CONSUMER SALES

£15,000 to £25,000 p.a.  
20+ years exp with either a proven track record consumer products, plus the ability and desire to move into sales of consumer goods or specialist institutional sales to non highly regarded team in the form of Stockbrokers.

#### PROPERTY ANALYSTS

£10,000 to £20,000 a.a.e.  
Graduate to 32 with some experience of investment research, ideally covering the property share sector or the ability to join major firm of Stockbrokers or, leasing institution.

#### BUILDING RESEARCH

£10,000 to £20,000 a.a.e.  
A thoroughly experienced investment analyst either with a keen desire to specialise in building or with an established following in further development of the sector with a proven firm of U.K. Stockbrokers.

#### INTERNATIONAL FUND MANAGEMENT

to £14,000 p.a.  
Probably a graduate aged 24 to 30, with a second degree in investment, analysis and portfolio management, preferably U.S. or Far Eastern markets together with knowledge of all major international markets to join a small but expanding investment management team.

For an initial discussion, in the strictest of confidence, please contact:  
Anthony Jones or Stephen Emberton

Stephens Associates  
International Recruitment  
44 Carter Lane, EC4A 3BN  
Telephone: 01-236 7307

# AVP Business Development Major US Bank

Our client requires an aggressive, experienced banker at Assistant Vice President level to join a highly profitable, expanding division in its London office. He/she will specialise in, and be totally responsible for relationships with the insurance industry and investment vehicles in the UK. Previous experience

in this field would be useful, but is not essential. Preferred age is 28-35. Salary will be c. £17,500 and a car and the usual fringe benefits will be provided. Please send your CV to David Dale, at the following address, quoting reference no. 1322.

## Odgers

MANAGEMENT CONSULTANTS  
Odgers and Co Ltd, One Old Bond St,  
London W1X 3TD 01-489 8811

### MIKE POPE & ASSOCIATES

Bank Recruitment Consultants  
CHIEF DEALERS To £23,000  
GRADUATE DEALERS To £20,000  
(5 years+ exp) for Singapore

FX DEALERS To £20,000  
CREDIT ANALYSTS To £13,000  
BOND PORTFOLIO MANAGER To £12,000  
ACCOUNTS CLERKS To £9,000

Contact:  
David Patten or Mike Pope  
1/2 Gracechurch Street, EC3  
01-426 5191

# LOAN OFFICER

City £16 - £20,000 + car  
Medium-sized Regional U.S. Bank

Our Client is the London branch of a successful and expanding U.S. bank with a developing presence in the U.K. and Europe.

The current requirement is for a versatile lending banker to assist in the development of the bank's diversified loan portfolio, which includes direct and syndicated lending and some involvement in the capital markets.

Candidates, preferably in their late 20's or early 30's with a degree and/or a professional qualification, should possess a formal credit training and a subsequent record of successful business generation. Drive and imagination are regarded as essential ingredients for success, as is the willingness to travel throughout the U.K. and Western Europe.

This represents a challenging and attractive opportunity for personal development with an organisation which recognises fair and performance.

Contact Norman Philpot in confidence  
on 01-248 3812

## NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone: 01-248 3812 3 4 5

# Market Planning Manager

London c. £16,000

Our client, an international name in consumer goods wishes to appoint a Market Planning Manager to head up their analytical services team.

Your brief, which will encompass the home trade and overseas divisions, will be:

- \* to provide a market analysis service
  - \* to manage the development and operation of computer based information systems
  - \* to carry out ad hoc projects including economic analyses
- You will liaise closely with senior executives across the whole of the home and overseas marketing function, as well as with other divisions of the company and outside computer agencies. The job is a challenging one and there is considerable scope for development. Probably aged 27-35, you will have a good degree in a numerate discipline and several years' experience of market analysis and computerisation in the F.M.C.G. sector, preferably including some experience of overseas market data. For this key role you will need to be innovative with:

- \* a flair for anticipating long term economic and marketing information requirements
- \* the initiative and technical expertise to develop and implement new ideas
- \* the skill to communicate complex concepts succinctly and effectively to all levels of management

The ability to lead and motivate a team successfully

The salary for this appointment is negotiable around £16,000 and fringe benefits are excellent.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent ref. B.1107.

This appointment is open to men and women.

## ASL CONFIDENTIAL RECRUITMENT

A member of MSL Group International

17 STRATTON STREET  
LONDON  
W1X 6DB

# Fund Manager

Canada Life has an opportunity for an experienced Gilt and Fixed Interest Investment Fund Manager in their City offices at Cannon Street.

Reporting to the Investment Manager - Securities, you will be aged 28-30, have at least three years' experience of gilt dealing and interest rate forecasting and should have a good economics background. Involved in economic projections and stock market dealing in the gilt and fixed interest market this is an excellent opportunity to make an important contribution to our overall investment performance.

We offer an attractive five figure salary, subsidised mortgage and pension scheme.

Please write, in confidence, with full career details or telephone for an application form to: M. R. Collett, FCIL, Personnel Manager, The Canada Life Assurance Company, Canada Life House, High Street, Potters Bar, Herts EN6 5BA. Tel: Potters Bar 51122, ext. 193 (24-hour Answerphone outside office hours).

This appointment is open to men and women.

## Canada Life

# APPOINTMENTS ADVERTISING

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# STOCKBROKERS

Our client is a medium-sized firm with adequate accommodation which can offer attractive facilities to one or two associated members, attached, or a small team of members with the ability to introduce and develop their own business. The firm has a broadly-based business which includes private clients, banks, institutions and legal connections. Replies will be treated in the strictest confidence. Please write in the first instance to ourselves at the address below.

The identity of any candidates will not be divulged to our client without their express permission and in full knowledge of who the client is.

Finnie Ross Allfields

(Chartered Accountants)

Lee House, London Wall, London EC2Y 5AX  
Attention: Michael Ross

## DCI David Grove Associates

Bank Personnel Recruitment  
60 Cheapside, London EC2Y 6AX  
Telephone: 01-248 1056

### Current bank vacancies include:

MARKETING OFFICER, EUROPE (Fluency in French/German)	£20,000+
UK MARKETING OFFICER	c. £14,000
EUROBOND TRADER	£ Exc.
GRADUATE (NEW BUSINESS/DEALING)	£ Negot.

In respect of the above appointments please contact Norma Given on 01-236 4441

BRANCH AUDITOR (SINGAPORE)	\$40,000
SENIOR CREDIT ANALYST	£14,000
CREDIT ANALYST	£12,000
EUROBOND SETTLEMENTS	c. £10,000
ACCOUNTS SUPERVISOR	c. £9,000
DOCUMENTARY CREDITS	c. £9,000
LOAN ADMINISTRATION	£8,000

In respect of the above appointments please contact Joan Menzies on 01-248 1858

# EDITOR

## INVESTORS CHRONICLE

A new editor is to be appointed for the Investors Chronicle, the leading weekly magazine covering business, investment and finance. Applications are invited for this important position.

Please write in confidence to J D McLachlan, Managing Director, The Financial Times Business Publishing Limited, Room 608, Bracken House, Cannon Street, London EC4.

## INVESTORS CHRONICLE

Financial World

### Executive Appointments

The specialist service for senior executives seeking new appointments. Our success-related fee structure is unique. Contact us for a confidential meeting.

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## Banking Personnel

The premier name in Banking Appointments.

### INTERNATIONAL BANKING

**LONDON REPRESENTATIVE** — Age 35-45 — to £30,000  
Would suit distinguished banker with excellent City contacts and money market expertise.

**FINANCIAL FUTURES TRADER** — Age 30ish — c. £40,000  
For which F.X. Dealers of superior calibre would be considered.

**INVESTMENT MANAGER** — Age 30+ — to £25,000  
Extensive experience of client fund management essential.

**REGIONAL CREDIT OFFICER** — Age 28+ — c. £20,500  
To cover Europe, Middle East and Africa for new London office of reputable bank.

**CUSTOMER DEALER** — Age 27-30 — to £18,000  
Would suit established money market dealer with good contacts.

**OPERATIONS MANAGER** — Age 30-45 — c. £22,000  
With proven track record at this level and knowledge of Kapii system.

These are just a few of the many senior appointments for which we are currently retained. For further details in complete confidence please send your cv. to MARK STEVENS - GENERAL MANAGER or contact him on 01-588 0781

41/42 London Wall, London EC2. Tel: 01-588 0781

## CORPORATE FINANCE

### Business development

We are a long-established issuing house (a subsidiary of a widely-held listed company) which specialises in financing, advising and taking interests in companies in the small-to-medium size range. We need an energetic and enthusiastic new member who will enjoy considerable scope for initiative in business development. The ideal requirements are:

- A self-starter aged about 28-35 and in good health
- Educated to university standard, articulate and numerate
- A merchant banker (or possibly an accountant or lawyer) with first-hand experience of issues, takeovers and mergers
- Experience with small or medium-sized companies, either in industry or commerce or as a business-getter in the financial services sector.

Please write to J. N. Fuller-Shapcott, at the address below, marking your envelope private and enclosing full curriculum vitae and salary progression. Salary will be competitive. A car and usual additional benefits are provided.

MINSTER TRUST LIMITED,

Minster House, Arthur Street, London, EC4R 9BH.

### GOLD BULLION DEALER

A senior gold bullion dealer is required by a leading Merchant Bank. Candidates must be between 27/32 years of age with several years' experience of bullion dealing. A substantial salary will be offered together with the usual banking fringe benefits.

Please contact Peter Latham

Jonathan Wren Bank Executive Recruitment

170 Bishopsgate, London EC2M 4LX

Tel: 01-423 1266

## LAURIE, MILBANK & CO.

is seeking a recently qualified

### ACTUARY

or a student approaching qualification for its established and expanding

### GILT EDGED department

This is a research post involving modelling and investment recommendations both within the department and to clients. Salary is negotiable and will include the usual benefits.

For a preliminary discussion in complete confidence please apply to: K. E. Ayers, FIA, FSS, APML, ASA,

Laurie, Milbank & Co.

(Members of The Stock Exchange)



Portland House,  
72/73 Basinghall Street,  
London, EC2Y 5DP.  
Telephone: 01-606 6622

## UK AND INTERNATIONAL BANKING SERVICES

An internationally-oriented and rapidly expanding Licensed Deposit Taker soon to move into premises in the City is seeking applicants with several years' suitable experience to fill the following vacancies:—

F/X Back-Up including settlements, payment orders, reconciliations. Extensive knowledge of sterling and currency bill business desirable. Documentary Credits including opening, amendments and paying; and documentary collections inwards and outwards.

Accounts Assistant with knowledge of computerised accounts to assist Accountant with monthly Returns and Budgets and Bank of England Returns.

IBM System 34 Operator/Telex Operator. Salaries negotiable according to experience. Applications, which will be treated in confidence, to Box A.7869, Financial Times 10 Cannon Street, London EC4P 4BY

### ASSOCIATION OF UNIVERSITY TEACHERS

### GENERAL SECRETARY

Applications are invited for the post of General Secretary of the Association of University Teachers to succeed the present General Secretary, Mr. L. Sapper, LL.B., Barrister at Law, who will retire on 30th April 1982. The current salary scale for this post is £18,480 x £924-£24,036 plus a London Allowance (at present £1,035). The successful candidate will be appointed at an appropriate point on this scale. Further particulars may be obtained from the President of the Association, Mr J. E. Reilly, c/o The Registry, The University, Canterbury, Kent. Enquiries should be marked Reference No. A11/82.

Applications (ten copies) naming three referees should be submitted to the President at the above address by the 30th June 1982. Any person who would like to propose the name of a possible candidate for the post on a confidential basis may write to the President at the above address.

### BANKING OPPORTUNITIES

**BUSINESS DEVELOPMENT** £20,000+  
A major international bank is seeking a professional banker as senior management level, to govern and develop business in central and Eastern Europe. Candidates should be mid 30's, possess relevant qualifications, also have worked overseas in marketing bank services to corporate and bank clients. An ability to speak 2 or 3 European languages is essential.

**FOREIGN EXCHANGE DEALER** £20,000+  
A senior foreign exchange dealer is required by an international bank. Applicants should be in their early 30's, have at least six years' all round experience in bank and forward transactions and deposits in all currencies.

**SENIOR ACCOUNTANT** c. £10,000  
Partly qualified ACCA or ACA with "A" grade, mid 20's, now working in accounts department of large bank, is sought by Canadian bank. Duties include head office reporting, Bank of England returns and some tax work. Candidates must have good general accounting experience and be capable of competing qualifications and progressing within the bank.

**CREDIT ANALYST** c. £9,000 neg.  
Credit analyst mid 30's with one year's formal credit training in bank and degree. Semantics and experience in surcurrency and U.K. lending analysis required by expanding European bank.

**ADMINISTRATION SUPERVISOR** c. £9,000  
Very competent administrator, probably 30-35, required for busy department of international bank. Must have previous banking experience in similar capacity covering branches, stationary, staff supervision, other administrative duties and used to working under pressure. Only candidates fulfilling these requirements should apply.

## LJ&B Banking Appointments Ltd.

57/59 BISHOPSGATE, LONDON EC2M 4LX  
01-283 9953

## CAMPBELL NEILL & CO

### INVESTMENT ANALYST

An Analyst is required for our Research Department. The successful applicant should ideally be able to produce evidence of a thorough analytical training, supported by an ability to produce and market high quality work for institutional investors. A record featuring a sector specialisation would be particularly suitable, and a professional or academic qualification is preferred although not essential. Terms will be competitive in line with age and experience, and all applications will be treated in strictest confidence.

Initially, please write or telephone to the following, giving a brief outline of past career:

James C. Hardie

MESSES: CAMPBELL NEILL & CO.

Stock Exchange House

69 St. George's Place

Glasgow G2 1JN

Tel: 041-248 6271

### SMALL IS . . . . .

We left a larger firm of Stockbrokers to become small. We love it. We are now well established and have space for one. Must be well connected, agreeable personality, with the ability to slot into our small team. Perhaps you are sitting now amongst your 40 other partners (soon to be 80?) and thinking what a joy to be small and independent.

In utmost confidence write Box 74866, Financial Times

Handwritten signature

## MANUFACTURERS HANOVER LIMITED

Manufacturers Hanover Limited is faced with an increasing demand for its services. It therefore requires people to join the existing team of executives responsible for the development and execution of international financial services in Latin America and the Iberian Peninsula. The appointments will be based in London but overseas travel will be necessary.

Applicants must be fluent in Spanish (and preferably also Portuguese) and should be aged from 25 to 35 years with experience of loan syndications and Eurobond issues.

Salary is negotiable and supported by a generous fringe benefits package.

Applications, including complete details of previous experience, should be sent to:

Mr. J. E. W. Bamford  
Assistant General Manager

MANUFACTURERS HANOVER LIMITED  
8 Princes Street, London  
EC2P 2EN

## McANALLY MONTGOMERY & Co.

### Institutional Sales

Our expanding sales team requires additional people to market fully our research products. Wide equity knowledge and ambition are needed as well as the ability to work with specialised teams.

### Electronics/Electrical Analyst

We wish also to appoint an established analyst in this sector to join our present team. The successful applicant will be a professionally qualified person with experience within the electronics industry.

The above are career opportunities and the remuneration packages to be offered will reflect fully the importance of these positions.

### Applications to:

Robert Leigh-Wood  
McANALLY, MONTGOMERY & CO.  
Barber-Surgeons' Hall, Monkwell Square  
Wood Street, London EC2Y 5BL  
Tel: 01-726 6060

## CREDIT MANAGER - PROJECT FINANCE

To £20,000.00

Equipment finance affiliate of leading U.S. bank requires a Credit Manager for its European regional office based in London. The successful candidate will exercise a significant degree of credit authority and be responsible for the evaluation and monitoring of equipment finance transactions in Western Europe, Africa and the Middle East.

Previous experience will include not less than 3 years evaluation of corporate and project credits including active involvement in documentation of transactions. Familiarity with export credit programmes will be an advantage. In addition to an attractive salary, compensation will include usual banking benefits.

In the first instance please write or telephone:

Young Emerson-Fish  
Broad Street Avenue  
11/12 Blomfield Street  
London, E.C.2

**BANKING SELECTION** 01-638  
EMERSON RECRUITMENT ASSOCIATES 2901

## Banking Personnel RECRUITMENT CONSULTANT

Age 27-30 to £10,000

Since its inception in 1977, the name of Banking Personnel has become synonymous with all that is best in the field of specialist recruitment. Now, in order to meet the ever increasing demand for our services, we require a person of presence and initiative to join our close-knit team of consultants. While previous experience of banking recruitment is desirable we would also be interested to hear from anyone with a specialist agency, or banking background.

Certainly, the successful candidate will be articulate and well-versed with a genuine interest in furthering the career objectives of our candidates. If you'd like the job a highly successful team which is part of a yet larger private group of agencies please contact, in confidence, MARK STEVENS (General Manager).

41/42 London Wall, London EC2. Telephone: 01-588 0781

## RESEARCHER

Herring Son & Daw, a Firm of Chartered Surveyors specialising in commercial property, based in the West End and operating throughout the U.K., require a researcher to develop a wide range of projects.

Previous experience in the property field is not essential. The successful applicant will be expected to work with the minimum of guidance and therefore will require a degree of flair and initiative.

Salary and benefits will depend on the age and experience of the successful applicant.

Please reply in confidence to:

Ref: PCCS

**Herring Son & Daw**  
Chartered Surveyors  
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London W1X 2QL  
01-734 8155

## EUROBOND DEALERS/SALESPEOPLE

£14K to £25K

We have been retained by several clients to introduce to them EUROBOND DEALERS/SALESPEOPLE who have experience in FIXED RATE NOTES, FLOATING RATE NOTES, DOLLAR STRAIGHTS, CONVERTIBLES, NEW ISSUES and of course PRIMARY AND SECONDARY MARKETS. Salaries and benefits range between the band quoted above and reflect the importance of the positions we have to offer.

We also seek Eurobond settlements staff with experience of Euroclear and Cedel, contracts, confirmations and instructions. Salaries ranging up to £9,500.

In the first instance ring 01-493 1574 to arrange an interview

**Job Recruitment**  
London  
493 1574

## International Appointments

INTERNATIONAL APPOINTMENTS ARE CONTINUED ON FOLLOWING PAGE

## CONTROLLER PARIS

Our client is a rapidly growing U.S. firm which specialises in commercial brokerage and leasing of computer hardware and other capital equipment. In recent years, the company began operations in Europe and the scope of the business requires the creation of a controllership function in its Paris headquarters. The controller will immediately assume responsibility for all accounting, taxation and currency hedging operations. Future involvement in structuring leasing arrangements is expected.

Candidates must meet the following minimum qualifications:

- Two or more years' employment in a French subsidiary of a U.S. company
- Four years' experience in controllership functions
- Full knowledge of French V.A.T. and income taxes
- Superior academic credentials
- Fluency in French and English

The expectation is that this position will expand in scope and responsibility as the company enlarges its European operations. Compensation commensurate with past experience.

Interested parties should send their c.v. to complete confidence to: Ralph Dieckmann, DIECKMANN & ASSOCIATES, 618 Fullerton Parkway, Chicago, Illinois 60614.

A BELGIAN BANK ESTABLISHED IN BRUSSELS IS LOOKING FOR

## ACCOUNT OFFICERS

IN THE CORPORATE BANKING FIELD.

SUCCESSFUL CANDIDATES (MALE OR FEMALE) WILL BE DIRECTLY RESPONSIBLE FOR ALL CONTACTS WITH MULTINATIONAL COMPANIES.

IDEAL APPLICANTS' BACKGROUND SHOULD INCLUDE:

- A UNIVERSITY EDUCATION; 3 TO 5 YEARS' EXPERIENCE IN DEALING WITH COMPANIES;
- FLUENCY IN ENGLISH; ENGLISH IS A MUST.

APPLICATIONS, WITH COMPREHENSIVE C.V., SHOULD BE SENT TO UNIVERSAL MEDIA, TERHULPSTEEUWEG 121, B-1050 BRUSSELS, BELGIUM.

PLEASE QUOTE REFERENCE FT/54 ON THE ENVELOPE; YOUR LETTER CAN THEN BE FORWARDED TO US IMMEDIATELY. ALL APPLICATIONS WILL BE HANDLED IN THE STRICTEST CONFIDENCE.

## SEARCHING FOR THE RIGHT JOB?

We can help you by offering the most comprehensive Career Counselling service in Europe. Our unique guarantee assures clients of rewarding careers, of which some 70% are obtained from the unpublished job market. Telephone for a free confidential appointment for an assessment by a consultant, or send us your c.v.

**CHUSID** London: 01-580 6771  
25-27 Fitzroy St. W.1.  
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The Professionals in Career Counselling  
Sunley Building, Piccadilly Plaza.  
We are also specialists in "Outplacement" for organisations, through our affiliated company Lander Corporate Services Limited, Address as above.

## New Issues Manager

Kuwait/London

Around US \$70,000 free of local tax

for a leading Middle East Bank with substantial international activities. Impressive continued growth, both domestically and overseas, has created the need to strengthen the Merchant Banking division. This position offers challenge and a significant opportunity for career and financial progression within a highly professional and dynamic banking environment. Initially the position will be located in Kuwait, and relocated to London within three years.

Prime responsibility will be to head the New Issues Department, manage the Bank's activities in the primary and secondary Eurobond market and actively promote and administer all international interests pertaining to the department.

Candidates, preferably with business or banking qualifications, must have sound technical knowledge of the capital markets essentially gained through senior roles with a recognised international institution.

In addition to a tax free salary, benefits include bonus, free car, housing allowance, free loan facility, life insurance, free medical care, 45 days' holiday, married or single status and paid airfares.

Please write - in confidence - giving full career details or telephone 01-730 0255 to G. E. Yazigi ref. B.1036/4.

## MSL middle east

Management Selection Limited  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW

## 'A FINANCIALLY ORIENTATED BUSINESS MANAGER...' £22,000+

The position is Controller - Europe, Africa and the Middle East and although it demands strong financial flair, we have discarded the term "Accountant" because we are looking for much more - a natural entrepreneurial instinct.

We are looking for a substantial US high technology Company marketing a range of equipment and systems to the print graphics and communications industries through subsidiary and distributor operations worldwide. The successful applicant will be the man or woman who can combine a proven track record gained in an international marketing environment with the business acumen necessary to accept prime responsibility for operational, strategic and analytical functions to achieve positive bottom-line results.

Reporting to the Vice-President, you will direct these international activities from our new headquarters in Windsor.

Philip Rich, Director - Employee Relations, The International, P.O. Box 304, Chertsey House, 6-12 Victoria Street, Windsor, Berkshire SL4 1EX

Already near the top, and seeking that extra scope for personal and professional achievement, you will possess a sound educational background and the prerequisite financial and accounting qualifications, more important, you must be able to display the qualities of leadership, energy and intellect.

A compensation package with a management incentive plan will be negotiated and could produce an income well above £22,000 for the right person. A car will be provided and there is a generous range of benefits.

If you can relate your business management expertise to this specification, and already consider yourself a candidate for the general management position above this level, please forward fullest details of yourself and your career:

itek

REUTERS REUTERS REUTERS

## Financial Manager

Africa  
Based in Nairobi

Reuters, the world news organisation, wishes to recruit a Financial Manager to head the Africa Region's financial operations, which are to be relocated to Nairobi.

Reporting to the Manager, Africa, the Financial Manager will play an important role in the development and management of the Company's business in the Region. This will include establishing and maintaining computerised accounting systems and procedures for the production of monthly financial reports, including forecasts, and annual budgets and plans.

In addition to a small local staff the Financial Manager will be responsible for the work of three accountants based in other parts of the region.

The successful applicant should be a qualified accountant, probably aged

25-35, with at least five years' operational experience. Some experience of working overseas, preferably in Africa, is necessary. The ability to communicate in French is desirable.

A basic UK salary of around £16,000 per annum will be paid according to experience and qualifications, plus overseas allowances and benefits including accommodation. Annual home leave is provided.

To apply, please telephone 01-353 7329 (24-hour answering service) or write to

The Recruitment Officer  
REUTERS  
85 Fleet Street, London, EC4P 4AJ  
for an application form.

This position is open to both men and women.

REUTERS REUTERS REUTERS

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Join this highly successful international consumer marketing company in

## INTERNATIONAL AUDIT

Toronto based, you will be part of a small skilled team. Recently qualified in an audit practice, aged 24-32, you will have the presence and desire to succeed in this highly stimulating environment offering good development potential into line finance and excellent rewards. Please phone or write immediately quoting project L121.



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## Government of Papua New Guinea

DEPARTMENT OF WORKS AND SUPPLY

## Provincial Financial Controllers

SALARY: K20,600 (£15,862) pa

The Department of Works and Supply of Papua New Guinea currently has ten vacancies for Provincial Financial Controllers, to be based in provincial offices throughout the country. Applications are invited from professionally qualified persons with considerable experience in Accounting and Financial Management. Duties include the supervision and control of all the Department's financial services within a province.

Salaries are payable in Papua New Guinea Kina. The Exchange rate varies from time to time but on 26th May 1982 it was £0.77 = K1.00

### Benefits

3 year contract initially. 24% Gratuity of annual salary. Free married/single accommodation. Airfares to and from Papua New Guinea. 6 weeks annual leave. Generous Education Subsidies.

Please write or telephone for application forms and further details, quoting Reference Number VIS/PWS/37-B1 to Recruitment Department, Papua New Guinea High Commission, 14 Waterloo Place, London SW1 4AR. Telephone No. 01-930 0922

Closing date for applications 24th June 1982.

Papua New Guinea



## SAUDI ARABIA INTERNATIONAL BANKING EXECUTIVES

Neg. to £20,000

Our client is a major International Company with two vacancies at its Jeddah Office. Group turnover is in excess of one billion U.S. dollars.

Your function will be to develop loan and credit facilities, negotiate with banks worldwide, review and support inter-company finances for major projects. Reporting to the Head of Department you will receive instructions and interface with the principals of this company.

Ideally, you will be aged 30+, an AIB with experience in International Banking and/or brokerage. Contracts one year renewable.

Please send curriculum vitae to:

John Nicholson  
ARA INTERNATIONAL  
11-12 Hanover Street, London W1R 9HF  
01-629 2356 ext. 223

# International Appointments

## Banking- Operations Manager

**Nigeria** 30/35 c £25,000

Our Clients are one of the major forces in international banking. They are expanding their already substantial coverage in West Africa by setting up a Banking operation in Lagos. They will be doing this together with local interests and around forty people will be employed. They seek a person to head up the Operations area which will include Letters of Credit, Cash Department etc.

The job will suit a thirty to thirty-five year old Overseas, Clearing or Merchant Banker who has extensive experience of Operations Administration. Ideally, but not essentially, the person appointed will already have experience of working in an expatriate situation - preferably in West Africa.

A generous salary will be supplemented by yearly two-month home leaves, housing, car etc.

Please write in the first instance to Colin Barry, at Overton Shirley and Barry, (Management Consultants) Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-583 1912.

**Overton Shirley  
and Barry OSB**

## BANK OF BOTSWANA

### Monetary Economist

Applications are invited for a senior post in the Research Department of the Bank of Botswana - which is the Central Bank of Botswana.

The post requires an economist with considerable experience in the following fields:-

- Monetary and Banking Policy
- Investment of Foreign Exchange Reserves
- Interest and Exchange Rate Policy
- Credit Control Policy
- Balance of Payments Problems.

The incumbent will help to formulate advice to the Governor of the Bank and other parastatal bodies on issues of a macro economic nature.

This post is available immediately.

The ideal candidate will have the following academic qualifications:-

- Ph.D plus three years' relevant experience
- M.Sc. plus six years' relevant experience.

### Salary

Approximately P29 000 including Inducement Allowance plus 25% tax-free gratuity, passages, education allowance etc. (Current rate of exchange: Pula 1 = U.S. Dollar 0.9702).

Applications including a curriculum vitae should be sent to the Director of Administration, Bank of Botswana, P.O. Box 712, Gaborone, Botswana. Further details can be supplied on request.

## FINANCIAL EXECUTIVES OVERSEAS APPOINTMENTS CURRENTLY EARNING £15,000 - £40,000

Michael Page International is a specialist recruitment consultancy with a highly successful record in international recruitment of career and contract appointments. We wish to hear from qualified accountants of superior ability with a track record of significant achievement.

Perhaps your current appointment is fulfilling your immediate career needs, but nevertheless you are interested in future opportunities suitable to your long-term ambitions. Conversely you may be actively seeking a new appointment now. In either case, we will be pleased to discuss your specific requirements at any time.

We can offer positions based in many countries of the world and naturally we will be especially pleased to hear from those with previous work experience abroad.

Initial contact will be established by sending a brief curriculum vitae to John Sheldrake, Manager, Michael Page International, 31 Southampton Row, London, WC1B 5HY. Tel. No. 01-405 0442. Telex. 296091. He will treat your interest in the strictest confidence.



**Michael Page International**  
Recruitment Consultants  
London Birmingham Manchester

**Dr. Helmut Neumann**  
Management-Beratung

## PLANT MANAGER CHEMICAL INDUSTRY

We belong to one of the largest groups of companies in South-East Asia with main activities in the industrial and servicing field. The task of our new company will be the processing of products within the chemical industry (oils and fats). The plant will be set to work in 1984 and should reach its total production capacity within one year.

We are looking therefore for a Plant Manager, preferably with experience in the fat and oil industry or similar industries. The Plant Manager has full responsibility for the production which is divided in three divisions. Specialists are in charge of each division and responsible for the production program prepared by the Plant Manager. In addition the Plant Manager is responsible for storage facilities and transportation which are separate divisions. Maintenance, repair, spare-parts storage and supply, general security and planning works are part of his job and will be coordinated by the Plant Manager. Your educational background is that of a process or chemical engineer or a chemist and you have at least 10 years experience as Works or Plant Manager. You are familiar with cost calculation, budget responsibility as well as all technical aspects in order to run such a plant. Apart from the overall operational responsibility you are also responsible for most of the personnel including planning and recruitment particularly during the initial phase. We expect you to look after the details despite the fact that all divisions reporting to you are managed separately. Personal engagement and a definite understanding of local conditions are essential. Apart from your professional experience, your willingness to work with people of different mentality will be necessary to reach the general task. You will have sufficient time to get acquainted with your new job. Fluent English is required. Salary, fringe benefits and terms of contract will meet the usual standards.

Should you be interested in obtaining more details about this challenging position please contact our management consultants, Dr. Helmut Neumann, Management-Beratung GmbH, Roßmarkt 23, D-6000 Frankfurt, telephone 0611 (code) 290001, or send your full application together with C.V., which will be treated in strict confidence, quoting the reference no. 3534/FT.

## International Banking

The International Division of this specialist Bank Recruitment Consultancy carries a wide ranging portfolio of assignments including the following:-

AUDITOR - Singapore..... local \$	TREASURY MANAGER - Bahrain..... \$90,000
LENDING OFFICER - Geneva..... SW FR 80,000+	CREDIT OFFICER - Paris..... FF 200,000
FINANCIAL ANALYST - Paris..... FF 170,000	FX DEALER - Paris..... FF 140,000
CHIEF FX DEALER - Kuwait..... \$75,000	INVESTMENT MANAGER - Bahrain..... neg.
SYNDICATIONS OFFICER - Munich..... DM 70,000	CHIEF ACCOUNTANT - Paris..... FF 180,000
SENIOR ACC'T OFFICER - Stuttgart..... DM 90,000	FX DEALER - Frankfurt..... DM 70,000
EUROFUNDING MANAGER - Caracas..... neg.	ACCOUNT OFFICER - Hamburg..... DM 90,000
FX DEALER - Bahrain..... \$55,000	EXPORT FINANCE - Caracas..... neg.
SHIPPING EXECUTIVE - Piraeus..... \$40,000	OPERATIONS MANAGER - Paris..... FF 240,000

### Jonathan Wren Banking Appointments

If you are interested in these or other opportunities please write in confidence enclosing a detailed curriculum vitae to Roy Webb, Jonathan Wren & Co., Ltd., International Division, 170 Bishopsgate, London EC2M 4JX. Tel: 01-623 1266. No identities divulged without permission.

### EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organizations, not individuals, relating to employment of expatriates and nationals worldwide.

01-637 7604



## Data Processing Manager-Dubai

The National Bank of Dubai Ltd Dubai, United Arab Emirates, is in the process of undertaking computerisation of its systems and requires an experienced Data Processing Manager with five years' experience in a similar capacity in a commercial bank. Applicants should have experience implementing a bank computer operation and should be able to undertake in addition some systems analysis and programming.

Salary and terms of service are negotiable.

Interested parties should apply as soon as possible giving full details of career and experience ensuring that a telephone contact number and the earliest date at which employment could be undertaken is included. Interviews can be arranged in London.

Applications should be addressed to:

The General Manager  
The National Bank of Dubai Ltd Dubai  
P.O. Box 777, Dubai  
United Arab Emirates

## EDP PROFESSIONALS FOR DUBAI AND LONDON

A progressive and rapidly growing U.A.E. Bank which has embarked on automation of all its U.A.E. and Overseas banking operations requires immediately, enthusiastic, skilled and highly-motivated E.D.P. Professionals for its Data Centres in Dubai and London.

### Senior Systems Analysts: (Ref. SSA-002)

The ideal candidates must possess strong communication skills in English, should be able to lead and motivate other team members, must possess at least five years' analytical experience of evaluating, designing and implementing application systems. They should have handled at least one major on-line banking application project from feasibility study to its implementation on IBM and/or NCR mainframes.

### Systems Analysts: (Ref. SA-005)

The candidates must be team-oriented individuals having at least three years' experience in analysing, designing and implementing application systems, especially in the on-line banking environment.

### Senior Systems Programmer: (Ref. SSP-002)

The ideal candidate should be strong in assembling and must possess system programming skills in DOS/VSE and CICS/VS. He/she should be fully conversant with the PUT process and must be able to generate, maintain and support DOS/VSE, CICS/VS, VTAM and related software products independently. Experience with on-line banking software will be a definite asset but is not mandatory.

We offer an attractive salary and fringe benefits package depending on the qualifications, experience and location of assignment. If you are confident of your knowledge and skills and feel qualified for any of the above positions, please send your resumé, indicating salary expectations for London/Dubai, within 10 days from the date of appearance of this advertisement, quoting appropriate reference number on the cover to:



Mr. S. R. F. Garshore  
Senior Manager  
MIDDLE EAST BANK LIMITED  
Licensed Deposit Taker  
1, Lombard Street  
London EC3V 9AA  
Tel: 01-283 2201/6

## Investment Management Marketing

A major Middle East Bank in the Gulf is planning to extend its investment management services. We are seeking an experienced banker, aged 35 plus, who has spent several years in the marketing of multi-product international asset management services.

He will be responsible for the development of these services and will be expected to build up and supervise a team as the activities expand. He should be willing to travel extensively in the region. A knowledge of Arabic would be an advantage.

The salary will be negotiable in the region of U.S.\$60,000 per annum with generous benefits. Applicants are requested to send a curriculum vitae to Box A7863, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY, marking the envelope "Investment Management Marketing."

## CHIEF EXECUTIVE

R.A.C. INSURANCE PTY. LTD.

Location: PERTH, WESTERN AUSTRALIA

Due to the impending retirement in 1982 of the current Chief Executive of RAC Insurance Pty Ltd, Western Australia, we are seeking a highly capable individual to fill this role. RAC Insurance is recognised as a market leader, an extremely successful and innovative company in Western Australia, and the successful applicant must be someone who can accept the challenge that the industry and the company presents.

DUTIES: The Chief Executive will report directly to the Board, and be responsible for all operational matters relating to the company, which has assets exceeding \$40 million and a staff of 160. The Company's main field of operation is in the private motor vehicle and the private dwelling insurance areas.

QUALIFICATIONS: The person we are seeking must be a very successful individual, who is used to making decisions and who has a thorough knowledge of the insurance industry. He should be conversant with investment portfolios, have a good deal of entrepreneurial flair and be the sort of individual who is able to continue the aggressive thrust in the market place for which the company is well known. It is unlikely that anyone under the age of 35 would have the necessary experience to qualify him as an applicant for this position.

REMUNERATION: An extremely attractive remuneration package reflecting the importance of this position will be negotiated. This will include a substantial salary plus other benefits.

APPLICATIONS: Confidential written applications should be forwarded to the address below, including full curriculum vitae, contact telephone number and mentioning Position No. WB1061. Initial enquiries may be made by telephoning Mr. J. O. Morgan on 024 024 3384 (U.K.).

JOHN P. YOUNG & ASSOCIATES (WA) PTY. LTD.  
Management Consultants  
19 Ord Street, West Perth, Western Australia 6005

## MANAGER CREDIT DEPARTMENT

A leading German bank requires a suitable applicant for the above position who must have extensive knowledge and experience of all aspects of marketing and credit analysis.

The successful applicant should be reasonably fluent in written and spoken German and English language but extensive tuition will be given to the right applicant. Lending experience and marketing is essential as well as the motivation of a team.

The position offers a first class opportunity. Excellent salary and usual fringe benefits will apply.

Write in strict confidence giving full details of experience to:

Box A.7863, Financial Times,  
10 Cannon Street, London EC4P 4BY

INTERNATIONAL APPOINTMENTS

APPEAR EVERY THURSDAY

RATE £29.00 PER SINGLE COLUMN CENTIMETRE

Handwritten signature or note in a box.

BUSINESS LAW

European Court's irrelevancies

BY A. H. HERMANN, Legal Correspondent

THE European Community extends over no more than half of Europe and is not much of a community; the Common Market is not much of a market but rather a system of agricultural preferences...

fact that the employment aspect was of no importance. Two references from England concerned a Dutch scientist and an Italian rapist. And the Court has now handed down a weighty judgment concerning complaints by two French prostitutes in Belgium.

which, though lawful, are objectionable. It is only required that the authorities make their stand clear and have taken administrative measures to curb such activities.

Does prostitution belong to the "harmonious development of economic activities" for which the EEC was set up?

But whatever line you take, there seems to be no obvious reason why the legal establishment of the Community should further debate the idea of European unity by a long and learned disputation over the French prostitutes right to establishment in Belgium.

lots of intellectual fun and exercise in juggling with such notoriously ill-defined notions as "public policy" and in flooding their way through the maze of Belgian administrative procedure.

The second issue concerned the justification which the Belgian authorities advanced for their denial of the applications: they maintained that the French prostitutes represented a threat to security because of a potential link with the "milieu".

One would expect these provisions to be tested in courts because of the difficulties and discrimination suffered by foreign workers at the hands of authorities, employers and trade unions.

A number of other points concerning procedure were rehearsed or clarified, but after all the fuss, Mile Adoui and Mile Cornuaille are unlikely to prevail over the Belgian police.

RACING

On-announcement of his participation in the Derby he was quoted immediately at 4-1 by Mecca but 12-1 by Ladbrokes.

will be ridden by Yves Saint-Martin in the Derby. Mr Stavros Niarchos, the colt's owner, must be relieved.

fails to take care of Naive in the opening Patcham Maiden Auction Stakes.

PERSONAL

ALREADY NEARLY 100,000 members help the British Diabetic Association. More help and donations are needed to help defeat DIABETES.

NOTICE

To the Holders of Addressograph Multigraph International Corporation 4% Convertible Guaranteed Debentures due 1988.

By Telephone: (212) 825-6298

ART GALLERIES

AGNEW GALLERY, 45, Old Bond St. W1. 24th May 1982.

FINANCIAL TIMES

Head Office: The Financial Times Limited, Strand House, 20 Cannon Street, London EC2A 4DF.

INTERCONTINENTAL BANK

Miami, Florida, U.S.A. BANQUE INTERCOMMERCIALE DE GESTION Lausanne, Switzerland

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the books of the Debenture Stocks of the Company will be closed for one day only on 6th June 1982 for the purpose of interest warrants available on 1st July 1982.

HOTEL ACCOMMODATION

Starkwell House, Aldenham Road, Wetherby, West Yorkshire LS22 2JY.

THE INTERCONTINENTAL HOTEL BUCHAREST

A great hotel located in Romania's capital city, yet within easy reach of the country's finest beaches.

ALLIED IRISH BANKS LIMITED

Notice is hereby given that the Transfer Books of the Company will be closed from 21st to 25th June 1982.

FLEMING JAPAN FUND S.A.

DIVIDEND NOTICE. Notice is hereby given that, pursuant to a resolution of the Annual General Meeting of Shareholders held on May 12th 1982, a dividend of US\$0.25 has been declared.

THE GREAT NORTHERN TELEGRAPH COMPANY LIMITED

RIGHTS ISSUE. The Great Northern Telegraph Company Limited ("The Company") announces that at the Company's Ordinary General Meeting on 24th May, 1982 a resolution was passed to increase the share capital of the Company.

U.S.\$100,000,000 HYDRO QUEBEC 11% DEBENTURES

due 15.6.1990/92. Debentures covering U.S.\$ 6,000,000 have been purchased on the market to satisfy the Purchase Fund due 15th June 1982.

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the books of the Debenture Stocks of the Company will be closed for one day only on 6th June 1982 for the purpose of interest warrants available on 1st July 1982.

HOTEL ACCOMMODATION

Starkwell House, Aldenham Road, Wetherby, West Yorkshire LS22 2JY.

ALLIED IRISH BANKS LIMITED

Notice is hereby given that the Transfer Books of the Company will be closed from 21st to 25th June 1982.

FLEMING JAPAN FUND S.A.

DIVIDEND NOTICE. Notice is hereby given that, pursuant to a resolution of the Annual General Meeting of Shareholders held on May 12th 1982, a dividend of US\$0.25 has been declared.

THE GREAT NORTHERN TELEGRAPH COMPANY LIMITED

RIGHTS ISSUE. The Great Northern Telegraph Company Limited ("The Company") announces that at the Company's Ordinary General Meeting on 24th May, 1982 a resolution was passed to increase the share capital of the Company.

U.S.\$100,000,000 HYDRO QUEBEC 11% DEBENTURES

due 15.6.1990/92. Debentures covering U.S.\$ 6,000,000 have been purchased on the market to satisfy the Purchase Fund due 15th June 1982.

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the books of the Debenture Stocks of the Company will be closed for one day only on 6th June 1982 for the purpose of interest warrants available on 1st July 1982.

HOTEL ACCOMMODATION

Starkwell House, Aldenham Road, Wetherby, West Yorkshire LS22 2JY.

BBC 1

6.40-7.55 am Open University (ultra high frequency only). 9.05-11.50 For Schools, Colleges. 1.00 pm News. 2.00-3.00 News. 3.00-4.00 News. 4.00-5.00 News. 5.00-6.00 News. 6.00-7.00 News. 7.00-8.00 News. 8.00-9.00 News. 9.00-10.00 News. 10.00-11.00 News. 11.00-12.00 News.

TELEVISION

Chris Dunkley: Tonight's Choice. You might almost have thought that ITV were planning for tonight's Cup Final Replay: the schedule they have thrown out to make way for the big head-on clash with identical material on BBC-1 was a thorough disgrace.

LONDON

9.55 am Schools Programmes. 12.00 Gammoo and Spinach. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.30 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After News. 2.30 Trevor Hart takes a comprehensive look at Civil Defence. 2.45 Cribb. 3.45 Survival. 4.15 Bugs Bunny. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm. 5.45 News. 6.00 Thames News with Andrew Gardner and Rita Carter. 6.35 Crossroads. 7.00 FA Cup Replay-Tottenham Hotspur v Queen's Park Rangers, from Wembley. 9.30 TV Eye (unless FA Cup Replay goes into extra time).

BBC 2

1.30 pm Anglia News. 2.00 Not for Women only. 2.45 News at Ten. 4.25 Football. 4.45 The Adventure. 5.00 Blue Beauty. 6.00 About Anglia. 6.25 Crossroads. 10.45 Snooker. 11.30 Top Gear. 12.25 am A Tale of Two Cities.

BBC 2

6.40-7.55 am Open University. 11.00-11.25 Play School. 11.30-11.45 Ha Ha Scarcoun. 11.45 Colour Rhymes. 11.55 The Great Egg Race. 12.00 Souvenirs of Sidmouth. 12.05 Summer Festivals. 12.15 News Summary. 12.20 "Breakfast at Tiffany's".

LONDON

10.00 News. 10.45 Hill Street Blues. 11.45 Ladies' Man. 12.15 am What the Paper's Say. 12.30 Close: Sit Up and Listen with Beverly Anderson. 12.50 Newsnight. By Election Special.

BBC 1

1.30 pm Anglia News. 2.00 Not for Women only. 2.45 News at Ten. 4.25 Football. 4.45 The Adventure. 5.00 Blue Beauty. 6.00 About Anglia. 6.25 Crossroads. 10.45 Snooker. 11.30 Top Gear. 12.25 am A Tale of Two Cities.

BBC 2

6.40-7.55 am Open University. 11.00-11.25 Play School. 11.30-11.45 Ha Ha Scarcoun. 11.45 Colour Rhymes. 11.55 The Great Egg Race. 12.00 Souvenirs of Sidmouth. 12.05 Summer Festivals. 12.15 News Summary. 12.20 "Breakfast at Tiffany's".

LONDON

10.00 News. 10.45 Hill Street Blues. 11.45 Ladies' Man. 12.15 am What the Paper's Say. 12.30 Close: Sit Up and Listen with Beverly Anderson. 12.50 Newsnight. By Election Special.

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 8.00 Simon Bates. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 2

1.00 am Encore (s). 2.00-6.00 You and the Night and the Music (s). 6.00-7.00 News. 7.00-8.00 News. 8.00-9.00 News. 9.00-10.00 News. 10.00-11.00 News. 11.00-12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 3

1.00 am Encore (s). 2.00-6.00 You and the Night and the Music (s). 6.00-7.00 News. 7.00-8.00 News. 8.00-9.00 News. 9.00-10.00 News. 10.00-11.00 News. 11.00-12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 4

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 5

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 6

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 7

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 8

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 9

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 10

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 11

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 12

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 13

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 14

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

RADIO 15

6.00 am News. 7.00 News. 8.00 News. 9.00 News. 10.00 News. 11.00 News. 12.00 News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 pm News.

ADVERTISING

# New Town criers in a fight for jobs

BY RAYMOND SNODDY

IN A bid to avoid the spectre of high levels of unemployment now associated with old towns, Britain's new towns are set on a rapidly expanding advertising programme. This is aimed at attracting new industry and could well result in a 1982 expenditure of over £10m, compared with the MEAL total of £5.9m for 1981.

"Heavyweight" new towns such as Warrington and Milton Keynes will probably spend about £1m on promotion this year, while their North-East colleagues Aycliffe and Peterlee have combined their efforts in a joint promotional budget of around £500,000.

The stage has been reached, according to Alex Penman, who coined the slogan "Corby Works" for Corby new town (and who once worked on the Lever Brothers advertising account), where the new towns' marketing battle is every bit as cut-throat as were the detergent wars in their heyday. Corby is itself planning to spend considerably more this year on advertising than the £300,000 it spent in 1981.

Yet outside the big spenders — with their cacophony of catchphrases like "Peterborough effects," "Pardon me boy, but it is that the Milton Keynes choo choo?" and Cwm Rhondda sung by the Welsh Development Agency choir to the strangest of words — one of the country's smaller new towns has been mounting a very effective advertising campaign that last year cost just £20,000.

Livingston, situated 15 miles west of Edinburgh, has found one answer to attracting investment by using small posters on the London Underground. Over the past 10 years millions of people have subconsciously absorbed the message "Make it in Livingston" as they have switched past at escalator speed and perhaps smiled ruefully at their own interpretation of the pun.

In the beginning, when little was made in Livingston, the posters carried "mythical" products such as watering cans, pliers and cheese graters. Now, the 350 poster sites on the Underground are small shop windows to announce the latest move to the town of a pharmaceutical or micro-electronic company, for instance.

"The poster campaign on the underground is the backbone of our UK campaign in the South. The aims are to achieve both frequency and permanence," says Oliver Thomson, managing

director of Livingston's agency Charles Barker (Scotland) Advertising. He also believes it is the most effective use of scarce resources. Livingston's advertising budget of £30,000 last year came out of a total industrial and commercial budget of £200,000, excluding salaries.

This year this will rise by 25 per cent in an attempt to reverse last year's dip in employment when the town lost a net 300 jobs — although this might be less when the final figures are available.

No one imagines, however, that the underground ads will stop an executive in his tracks and make him head for the border. The hope is that one day "residual imagery" might have an effect.

It was ten years ago that Charles Barker put up the slogan "Make it in Livingston" in its original presentation and since then even the typeface has stayed the same.

## Pertinent

Every year the agency sits down with Livingston officials and wonders whether the time has come for a new campaign, and every time they decide that the simplicity and directness of the slogan is too useful to discard. "The slogan is so pertinent to an industrial agency that we have found nothing better to supercede it," says Thomson.

There are also the benefits of stability. Glenrothes, he points out, did not always have "Busy Bees" in its advertising, and Irvine has not always used a seagull to emphasise the fact that it is the only new town with a beach.

"We have been consistent over a period of 10 years. There are 50-100 areas of the UK saying different things about themselves which are not particularly meaningful. There is much confusion and conflict," Thomson says.

But however effective the "residual imagery" may prove to be, Livingston's posters can often benefit the companies they depict. For instance, Carrick Jewellery, which specialises in Celtic designs, received orders for the Canadian and Australian markets for the first time as a direct result of appearing in a "Make it in Livingston" poster, because executives of David Jones stores in Australia and Eaton's in Canada had seen

the posters while on holiday in London.

There are drawbacks, however; the posters can be overtaken by events. Last year two companies — MFE, a floppy disc maker, and Yale, a security company, decided to make it no longer in Livingston while the posters featuring them were still up.

The ambiguity of the slogan also caused the Development Corporation to drop a glamorous poster advertising a company making tight. Apart from its posters, Livingston also advertises in the quality British press and in economic and specialist magazines in Britain and the U.S. — where Livingston becomes "Incentivesville Scotland."

"It's a pretty crude Americanism," says Thomson. But it seems to work. A single advertisement in Fortune magazine brought 600 inquiries although only about 100 were serious and it might be a long time — if ever — before jobs result.

Livingston officials also carry out selective mail shots in the U.S. and this year plan to attend exhibitions — particularly in the pharmaceutical field.

"We are selling the concept of inward investment and that is one of the most competitive areas today," says Thomson. Apart from the UK many areas of Europe and the U.S. are all competing against each other.

So how effective is Livingston's promotion and to what extent are new investment and new jobs directly attributable?

James Pollock, commercial director of Livingston Development Corporation, estimates that perhaps 40 per cent of serious inquiries have been influenced by the advertising campaign. Livingston stimulates between 300-400 serious inquiries a year, around 6 per cent of which may lead to new jobs. There is, of course, all the difference in the world between a company employing a few workers in distribution and a major manufacturing plant.

Abbey Chemicals of Stratford, East London, was planning to move to new premises in the South East and had not considered Scotland at all before its management spotted the advertisements. The company, a subsidiary of a New York corporation, now employs 60 people in Livingston making sealants for use in paint and ink manufacture.

The business of attracting investment can be very haphazard, however. Pollock once spent a thirty-eight hours doing the rounds of Brussels without much obvious effect. Relaxing in a bar afterwards he ran into an expatriate Scot who worked for an electronics company which was looking for a site for a European sales office. It's now in Livingston.



James Pollock (left) and Oliver Thomson: Livingston's poster campaign generates 300-400 serious inquiries a year

Livingston now quotes Masaru Nakamura, managing director of NEC (Europe) as saying: "Of course many countries hoped that we would locate with them, but at the end of the day Livingston turned out to be the best location in Europe to our mind."

Apart from the grants, he cites the fact that Edinburgh International airport is 10 minutes' drive away, and seven of Scotland's universities are within 40 miles.

Livingston hopes that the presence of NEC will help to attract other high-technology companies. One company — Micro-Image Technology — has already been drawn to the town to supply very pure chemicals to semiconductor manufacturers.

Nationally these are hard times for Britain's new towns. Although their populations have grown — to over 2m — there has been a decline in jobs. Last year there appears to have been growth in employment in only five towns: Peterborough, Northampton, Milton Keynes, Peterlee and Aycliffe, and either no growth or a fall in the other 23.

Livingston lost 21 companies last year and gained 31 — but those it gained were smaller than those lost.

With a population of 38,000, Livingston now has an unemployment rate of 17.3 per cent although the rate is heavily influenced by the presence of such unemployment blackspots as Bathgate on its doorstep.

"Taking into account the overall economic situation with the country and Europe we have been relatively successful. But we are like a cuckoo chick in the nest. Our mouth is always open and we would like a lot more," says Pollock.

## Grapevine

Then in 1978 Pollock heard on the grapevine that NEC was looking for a site for a microchip manufacturing plant. Last August Dr Ouchi was back in the town again for the soft-launching ceremony for a project that will eventually lead to a £40m investment and 800 jobs manufacturing 64K microchips. On its promotional material

# The blinkered engineer

ONE OF the more subtle reasons advanced for the decline of the UK's industrial competitiveness is the persistence of Britain's singular social structure. Just as class divisions continue to shape the pattern of everyday life, so craft and professional jealousies play too great a part in the conduct of industrial affairs.

According to this theory, historical tensions between business professionals can be a real impediment to successful marketing: what ought to be a straight line between the consumer and the manufacturer — the buyer and the seller — is twisted by departmental rivalry, mistrust and secrecy which find their outlet in time-consuming office politics and expensive commercial mistakes.

Taking the argument further: if the accountant understood the technician, the technician understood the salesman (and everybody understood the worker) then customers would stand a better chance of getting the products they wanted at prices they were prepared to pay.

If that sounds like a glib business school catechism, that is because it is one. Nonetheless, it appears to express the feelings that some managers have about their own business.

It certainly seems to be the experience of a group of senior managers who recently took part in a four-day course at the Henley Management College entitled "Marketing for Engineers." The six participants, whose companies range from very small to very large, all have engineering or scientific backgrounds and are now responsible for product development.

They were asked to consider, in effect, why it is that salesmen love their customers but engineers love only their products. Why, in Britain, is marketing seen as a separate function when it ought to be infusing the whole corporate effort?

What follows is an anonymous collation of observations made by the six managers at the end of their course. One remark may serve to summarise the problem of professional demarcation: "It's almost as if people despise engineers. And sometimes when engineers are in charge of companies they take their revenge on the others."



Engineers suffer from lack of professional status within their firms. They are still regarded as men who are good with spanners but not much good with fountain pens. Yet their training makes them not only numerate but analytical. If they lack commercial experience — and often show a distaste for "selling" — it is because the typical British corporate structure means they are employed for too long practising the profession for which they first qualified when they left school.

By the time they reach the top of the tree, it may be too late for them to acquire the broad business outlook that is necessary.

The tendency of British companies to "pigeon-hole" their managers, locking them into offices with titles on the door, can mean that employees find themselves in a curious way having to sell their own services to their employers.

In order to fill the gap between engineer and customer, companies appoint marketing directors. But far from strengthening the chain, such appointments may actually increase the blockage in the transmission system. Matters are not helped by the engineer's view of the marketing man as a technically incompetent ginswiler.

There may be geographical barriers as well as attitudinal ones. At one company, with a

reputation in the outside world of being highly market-oriented, the men responsible for the bulk of the technical support for the company's products are housed in a far corner of the factory site. They communicate with the rest of the management by telephone or hand-delivered memo.

If a company's technical support is weak and slow, undermining the efforts of the marketing and sales people, it may be because engineers have no marketing training, let alone customer contact.

That is not to say that all engineers are fitted for customer contact. It is important, as one put it, to identify those engineers that "smell" — that is, who come across badly with clients. But giving all engineers marketing training is not only good for business, it makes recruitment of technical salesmen easier.

Professional jealousy can be much more expensive than shop-floor demarcation. For instance, engineers assigned to a project may have a very good intuitive sense that the project will flop but have neither the means, nor the inclination, to warn the rest of the management. A mis-conceived project can survive too long. If the manager in charge is enthusiastically committed to it, it may be even harder for those working under him to voice their suspicions.

To overcome the worst of these problems, it was suggested that engineers, salesmen and financial planning managers should be involved at the start and throughout the life of a product's development. They should discuss marketing strategy; obsolescence, compatibility with other products, mid-life "enhancements" and feedback from the market.

New products might be removed from the design department and taken into the marketing department, along with high-calibre engineers. The walls of secrecy between departments should be knocked down. Engineers should be taught to think like salesmen.

In short, marketing should become a collective job, not a specialist one — a conclusion that might suggest that the best marketing director is a redundant one.

Christian Tyler

## NOTICE OF REDEMPTION

To the Holders of

# Continental Oil International Finance Corporation

(now Conoco Inc.)

9 1/2% Guaranteed Debentures Due 1985

Issued under Indenture dated as of July 1, 1970, as supplemented

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$1,875,000 principal amount of the above-described Debentures have been selected for redemption on July 1, 1982, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter "M" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:

06	11	16	21	26	31	36	41	46	51	56	61	66	71	76	81	86	91
07	12	17	22	27	32	37	42	47	52	57	62	67	72	77	82	87	92

Also Debentures bearing the following serial numbers:

2597	2697	4497	6097	6797	12997	13697	18997	20397	21297	22697	22697	22697	22697	22697	22697	22697	22697
22697	24697	24697	6797	10597	10597	12697	12697	12697	12697	12697	12697	12697	12697	12697	12697	12697	12697

On July 1, 1982, the Debentures designated above will become due and payable in each coin or currency of the United States of America on the date of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris or Zurich, or Credito Romagnolo S.p.A. in Milan or in Rome, or Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Coupons due July 1, 1982 should be detached and collected in the usual manner. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by a transfer to a dollar account maintained by the payee, with a New York City bank.

On and after July 1, 1982, interest shall cease to accrue on the Debentures herein designated for redemption.

Dated: May 27, 1982

CONOCO INC.

## NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M 17	797	3414	4423	4986	7181	8301	9506	10747	12324	12808	18271	20824	21341	24244	24244	24244	24244
38	3747	3417	4424	4987	8240	9217	9729	10750	12441	12449	17808	18268	22244	24244	24244	24244	24244
48	1838	2418	4672	8248	8801	9218	10717	12782	13280	13011	18883	20888	22247	24244	24244	24244	24244
141	2210	3619	4680	8790	9105	9433	10718	12838	12785	13023	18928	20881	22248	24244	24244	24244	24244
243	3469	3469	4701	6788	9224	9446	10720	12844	12847	13204	20348	21284	22249	24244	24244	24244	24244
423	3462	3462	4250	6423	8238	9467	10723	13144	12872	12827	20308	21288	24244	24244	24244	24244	24244

# Word-processing... Five directors said 'Yes.' One secretary said 'No!'

Green type flickering over a black screen! Not the easiest innovation to sell to a trained secretary. So that vital decision to adopt word-processing gets put off yet again.

It's not fear of new technology, but irritation with new operating conventions that's holding up progress.

Enter the world's first 'conventional' word-processor.

The CPT 8000 — an advanced stand-alone that handles like paper. Your secretary types clear, carbon-black characters on a flicker-free, white, A4 electronic 'page'. As she types, the page scrolls up, line by line, from the fixed-position typing line — like paper always has.

And to edit, delete or add text, she doesn't have to search the whole screen with a cursor. She simply overtypes, in the time-honoured way — on the typing line.

But this is not just the easiest word-processor to sell to your secretary...  
CPT 8000 is one of the most advanced stand-alone systems available.

Simple operation — The unique, fixed typing line clearly shows complete margin, tab and spacing data — all automatically disk-recorded.

obviating the need for constant resetting. Below the typing line is a preview area which allows the typist to display text requiring alteration. Any portion of text, from a single character to a whole document, may be edited by simple key operation.

Effortless handling of text — Paragraph assembly, text and document merge, selective retrieval, automatic centring, simple forms design, automatic underline, decimal alignment, alphanumeric sort and automatic page numbering are just a few of the simple operation functions available.

Expandable — The CPT 8000 can drive two printers simultaneously. Alternatively, a mix of up to four keyboards can share one printer.

Software options — In addition to the wide range of standard functions, CPT offer options which include a simple but powerful maths package, basic accounting, scientific symbols, over 15 foreign languages, including Arabic, and communications with other office systems.

To help you sell word-processing to your people, there's a free booklet — "The case for word-processing in black and white". Ironically it's in full colour! Just post the coupon for your copy.

# CPT

The future of word-processing in black and white.

To: CPT (UK) Limited, 48 Berners Street, London, W1P 3AD. Tel. 01-568 2931.

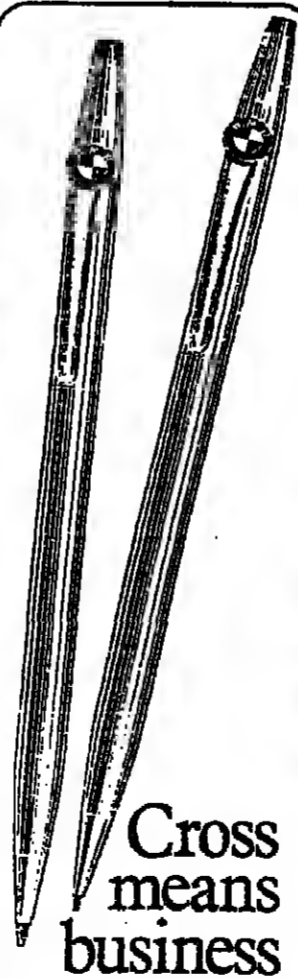
Please send my copy of 'The case for word-processing in black and white'.

Please arrange for your sales representative to telephone me.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_ Tel. \_\_\_\_\_

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Telegrams: Finantimo, London PS4, Telex: 8954871  
Telephone: 01-248 8000

Thursday May 27 1982

## THE FALKLANDS CAMPAIGN

# The hazards that lie ahead

By Bridget Bloom, Defence Correspondent

## Well, perhaps, Minister...

STUDENTS OF bureaucracy now have a new source-book: the report of the tribunal set up four years ago to determine who was to blame for the financial collapse of the Crown Agents. The disaster was unique, as disasters nearly always are: the causes were not unique at all. Since the country is at present suffering tragic losses on account of another disaster, which must itself have appeared to those concerned as a trivial and annoying side-issue until it erupted, the lessons are not specific to this peculiar affair; they are general.

### Investment

There was a great deal of activity, with many papers passing to and fro, which only concealed the fact that nothing was being achieved. Many meetings, both departmental and inter-departmental, were called with no definite purpose and ended without anything having been decided and no course of action having been agreed. The situation cried out for someone to use some common sense, show some initiative, and grapple with the problem. But nobody took the lead.

The facts are in a sense straightforward. The Crown Agents, handing funds on behalf of colonies and territories, had, like Topsy, just grown, and seemed to be accountable to no-one for their activities. These included investment, first modest and later disastrously risky, of their own funds.

### Investigation

The dangers of this situation were appreciated quite early by some of the junior officials involved, who emerge with considerable credit: they were perceptive and wanted to take action. At a more senior level, however, the purely national danger, as it then seemed, of a contingent liability to cover any losses did not seem pressing; understandably, the top men in the Treasury and the Bank of England thought they had more pressing worries. The permanent secretaries at the Ministry of

Overseas Development seemed unable to grasp what the problem was. They were not expert in finance; not, unfortunately, were the Crown Agents.

As a result there was first almost a conspiracy to let sleeping dogs lie — "I have a strong predilection to let the matter rest," as one mandarin noted. Later, when public concern was roused — partly by Press investigation — it was decided to treat the problem as one of organisation, not of immediate and urgent financial action.

As the financial crisis built up, therefore, the senior officials happily huddled themselves with four different proposals for constitutional reform, drafted after long consideration by the Stevenson committee, while the Agents were left floundering in the deeps in a highly undesirable company. Even when the secondary banking crisis erupted, and the collapse of the Stern property empire — to which the Agents had lent heavily — was obviously imminent, nobody thought to warn the Treasury for some time that the Agents themselves were also hurt.

### Problems

Many distinguished people are criticised or censured in this long tale of embarrassment and indignity: it is particularly notable that nobody senior ever thought to authorise a full investigation of the facts. Again, the parallel of an embarrassing problem covering more than one department with a lack of intelligence-gathering, let alone contingency planning, is bitterly uncomfortable now.

Can we do better? Busy officials are always likely to be distracted by what appear to be peripheral problems, and it is hard to blame most of the principals in the drama. All the same, two lessons do suggest themselves. One is that there should be a larger place in Whitehall for teams focused not on the responsibility of a particular minister, but on the solution of a particular problem — a task force in good time, as it were. The second is that much of the inspection can be traced back to the desire to keep things quiet; if nobody said anything, perhaps nobody would notice. Open government is not just a slogan to gratify idle curiosity; it can help to ensure that awkward issues are faced in good time.

BRITAIN has "completed the most hazardous part of the landing operation. We have large numbers ashore and we are going forward to repossess the islands. So said Mr John Nott, Defence Secretary, when he announced on Tuesday night that a British warship had been seriously damaged in a "mass air attack" in the Falklands.

Yesterday, Mr Nott confirmed in the Commons that not one but three ships had been sunk. There were other reports, unconfirmed yesterday by the Ministry of Defence, that yet another frigate had been damaged in the same action.

The sinking of HMS Coventry and the abandonment of the Atlantic Conveyor after it had been hit by at least one air-launched Exocet missile, throw several key questions into stark relief.

Was Mr Nott right that the most dangerous phase in the Falklands war was over? Or have he, the Prime Minister and Britain's defence chiefs greatly underestimated Argentina's will to fight and the difficulties which stem from that?

More specifically, how have Argentine aircraft, despite being shot down in some numbers, still managed to penetrate the Task Force's protective screen and destroy about a quarter of the warships sent as part of the original Task Force.

Was the sinking of the two ships on Tuesday evening a last desperate fling by the Argentine air force? Do the reinforcements which Mr Nott has said are now with the fleet mean that the dangers are now mostly over and the land forces can push ahead to capture Port Stanley?

Or does the damage done to the British fleet, and the danger still presented by the Argentine Navy to the right) mean that the campaign is far from being over in a few days, as the Government itself was suggesting last weekend?

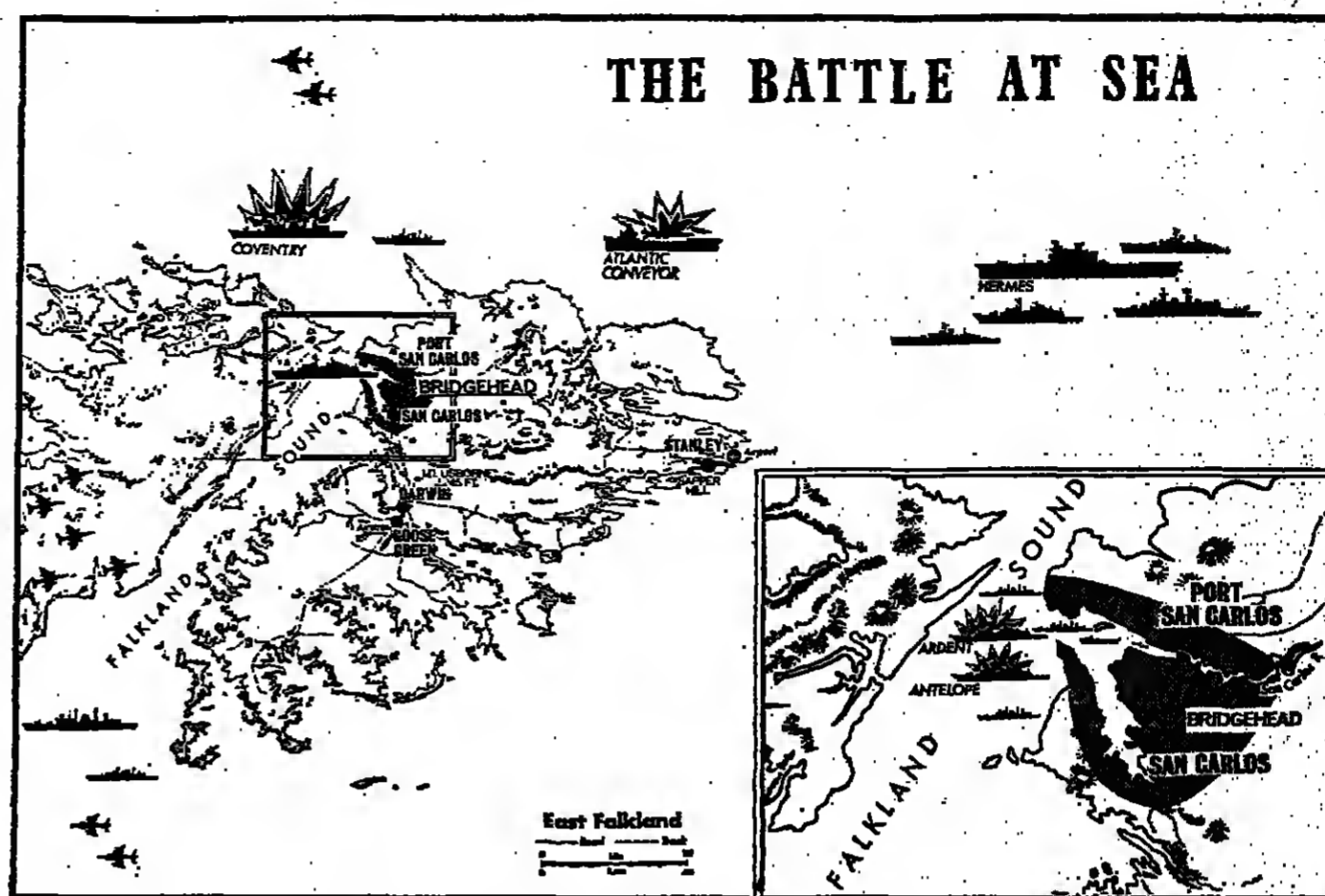
If so, is the Falklands campaign destined to escalate in a way which the British electorate and international opinion will find unacceptable?

Some of these critical ques-

### Several thousand men intent on recapture do not travel light

tions are inevitably extremely difficult to answer with any certainty. The Defence Ministry in London continues very carefully to control the release of information. Key details of past actions, including the recent sinkings, are not known. And the situation in the Falklands itself is clearly still very fluid.

Some broad points, first about the nature of the campaign and why British ships have



apparently been prepared to remain in such a vulnerable position for the last six days. The landings in the San Carlos area before dawn last Friday did obviously mark a new phase in the campaign. The Defence Ministry refuses to say how many troops were landed — estimates range from 3,500-5,000 marines and paratroopers. The troops were landed with only three casualties, remarkably little opposition from Argentine shore garrison, and since the troops disembarked, at night, there were no air attacks.

But the key point is that several thousand men intent on recapturing islands the size of Wales do not travel light. "A phenomenal amount of kit" is how one officer described what has been offloaded. It ranges from food for the men, shore hospitals for the injured, Scorpion and Semtex light tanks for moving across difficult country, Rapier anti-aircraft missile systems, ammunition to last at least a month's campaign, aluminium netting for makeshift airstrips, earth-moving equipment for digging trenches or establishing airfields, and much else besides.

All this was loaded mechanically, off proper docks, in the UK or Gibraltar. But now, it is being offloaded — apparently round the clock — in a much more primitive manner, onto small landing craft and thus to the beaches.

The key military point is that the whole operation — perhaps involving as many as 30-40

supply ships moored in the San Carlos bay, a narrow stretch of quite open water — has had to be protected. The diagram shows how. Short range or point defences against incoming aircraft include the crude naval guns lashed to any available deck, or machine gun ashore through to the sophisticated missiles aboard some ships and onshore. The latter, the Rapier and the shoulder-launched Blowpipe were landed with the troops.

The next layer of protection is provided by the general purpose frigates stationed out in Falkland Sound — not quite so narrow a stretch of water but still open and not allowing ships like the Antelope and the Ardent, sunk after action at the week-end, enough manoeuvrability against very fast, very low incoming jets.

At either end of the Sound are the radar pickets, the Coventry, Type 42 destroyers, whose role is area defence. Above them and ahead, if necessary, are the Interceptor Harrier jump jets, based on Hermes and Invincible, which are presumed to be stationed to the east of the Falklands, just out of range of Argentina's shore-based aircraft.

Ahead of the Harriers should be an early warning aircraft like the U.S. A-6, but Britain has none with the Task Force. British early warning Nimrod will not be in service until next year. Those in the area are equipped only for maritime reconnaissance. "If we had A-6s, not one of those Mirages or Etandards would have got

through without warning," Lord Hill-Norton, Admiral of the Fleet and former Chief of the Defence Staff, said yesterday. Other major weaknesses include the inability to pick up aircraft flying in over land — apparently a major reason why Coventry was hit. Many would argue that there are also far too few Harriers or other interceptor aircraft to provide adequate cover for the troops.

Given the very sparse information from the Defence Ministry, the tally of sunk and damaged British ships would seem to be: the Type 21 frigates Ardent and Antelope sunk; along with the two Type 42 destroyers Coventry and Sheffield.

These four ships represent just over a quarter of the warships which Mr Nott originally announced had been sent with the Task Force. The Atlantic Conveyor, though carrying vital supplies and possibly helicopter reinforcements, was a merchant ship.

There was apparently a Type 22 frigate escorting the Coventry, and other armed escorts with the Atlantic Conveyor. The Type 22 is believed to be damaged, though this is not confirmed officially. However, one of the two frigates seriously damaged in Friday's air raids is understood to be on tow and out of action. Three more were damaged, but it is not known how seriously. And yesterday, Mr Nott confirmed in the Commons that two Royal Fleet Auxiliary supply vessels had been damaged in Sunday's actions.

Thus of the original 15 warships which Mr Nott announced as being part of the task force on April 7, four have been sunk and at least six damaged. Mr Nott announced for the first time yesterday that 10 more warships had now joined the task force which "more than compensated" for the losses suffered.

How serious an effect have the losses and damage had on the British campaign so far? The answer will partly depend on how fast the ships now bottled up in the Falkland Sound protecting the San Carlos beachhead can be freed to seek the comparative safety of the more open sea. Some military opinion believes the consolidation and offloading of supplies has been far too slow.

It will also depend on precisely which warships have joined the Task Force: at least another Type 42, several general purpose frigates like the T21s and if possible another Type 22 armed with the anti-missile missile Sea Wolf are needed only to plug the gaps.

But it will also obviously depend on whether the task force has seen the worst of the Argentine air attacks. British figures suggest Argentine losses of over 50: reporters with the Task Force say Argentina has lost six out of every 10 fighters which have attacked the fleet. It is quite possible that these figures have been exaggerated as the official Argentine figure of 14 aircraft lost is obviously understated. A fairer figure might be 30 to 35, as an article

on page 4 explains.

However, it is worth noting that Argentina has been fighting in the Falklands with its air force while Britain's campaign has been dependent on its Navy — albeit with a critically important air wing. Argentina's losses, even on British figures, may not amount to more than a quarter of its operational fighter-bombers.

This is enormously high — World War 2 air staff found an attrition rate of 10 per cent unacceptably high. It may well be, as British defence chiefs believe, that Argentina cannot long sustain losses at that rate. What seems probable, however, is that Argentina could have a continuing capacity to inflict damage as the British forces attempt to reach their major objective of Port Stanley.

Both sides, then, have suffered major losses but both say they still intend to achieve their mutually exclusive military objectives. So what next?

There are some suggestions, particularly from the right wing of the Tory Party, that Britain should bomb Argentine airbases, but apart from the enormous political ramifications, this could be far from easy militarily.

British Vulcans, based in Ascension, have mounted at least two attacks on the comparatively tiny 4,000 ft airstrip at Port Stanley. Harriers have bombed and strafed it, probably a dozen times. It appears that small aircraft, such as the Tucans designed for counter-insurgency, may still have been using the strip as late as last weekend.

Argentina's three efficient airbases present a far more difficult task, especially for Ascension or carrier-based aircraft and Chile, despite the mystery over a Sea King helicopter, which landed there last week, is unlikely to provide a nearer base.

Britain's Task Force must then attempt to take Port Stanley in the knowledge that it has not yet achieved air superiority. This adds to those problems already long evident: the difficult terrain, the long supply lines of a force 8,000 miles from home, deteriorating weather and a force which,

### No air superiority as Britain tries to retake Port Stanley

while undoubtedly more professional, is still even with the 3,000 reinforcements aboard the QE2 — almost certainly outnumbered. Argentine morale in the Stanley garrison may crack soon, as some optimists have suggested. The pessimists may, however, point to the determination to fight back which has been so evident in the behaviour of Argentina's fighter pilots

## Mexico bites the bullet

MEXICO'S REQUEST for a \$1bn bridging loan from its commercial bankers provides one of the most dramatic examples yet of the way in which its external finances are being squeezed by weak oil prices and high interest rates. These factors have seen its foreign borrowing rise measurably. Last year outstanding public sector foreign debt rose by \$18bn to \$61.7bn. In the first four months of 1982 there was a further \$4.9bn increase so that, if private sector borrowing of \$20bn is taken into account, Mexico's total foreign debt at the end of April stood at some \$74.6bn.

### Struggle

Now, gross foreign borrowing needs of the public sector for 1982 are officially put at between \$25bn to \$28bn — almost double those of Brazil. Of this, \$11bn should represent net new borrowings. It is already clear that raising such a large amount is an uphill struggle at a time when the outlook for oil prices and interest rates remains uncertain and banks are becoming increasingly preoccupied with sovereign risk and lending limits.

This problem could have been alleviated some time ago by the implementation of a consistent austerity programme designed to curb the balance of payments deficit by cutting Mexico's economic growth rate, which even last year was running as high as 8 per cent.

Mexican officials have been preaching austerity since last summer but they have established an unfortunate record of not always living up to their sayings in practice, largely because of fears that cutting growth too far would arouse intense political and social pressures in a presidential election year.

Shortly after the peso was floated in February, the Government granted an additional increase in minimum wages of between 10 and 30 per cent, cancelling out much of the benefit of an effective devaluation of 40 per cent.

Local interest rates were slow to rise following the devaluation despite a sharp upward revision in inflationary expectations. Even now it is gradually becoming apparent that the latest Government budget cuts are not as stringent as at first thought. Recent official estimates put

the overall cuts at only pesos 150bn (\$3.2bn) instead of the pesos 264bn originally implied in the Government's programme. Private estimates put this year's overall public sector budget deficit at pesos 1,000bn compared with an original target of pesos \$5.9bn. The debt markets have a habit, however, of imposing restraint from outside. This is already apparent in the case of Brazil; it has been able to maintain inflows of foreign capital only by dint of a courageous and consistently applied austerity policy.

Now it seems likely that Mexico will have to bite that bullet once and for all. Lenders still need reassuring that public spending has been brought firmly under control and positive economic policies are working, if they are to honour the demands that are being placed upon them.

In the longer run it must always be remembered that however great the borrowing needs, Mexico represents a fundamentally sound credit risk because its oil and gas reserves more than guarantee its ability to repay its debt.

What Mexico faces immediately is a cash-flow problem brought about by over-ambitious growth policies. These have pushed its foreign borrowing needs so high that it has had to rely heavily on short-term borrowing — about 20 per cent of the public sector debt is short term — which has to be refinanced continuously.

Cash-flow. Brazil, which has always eschewed short-term borrowing, does not face this problem. As a result, its foreign exchange cash flow is altogether more stable.

There is nothing intrinsically wrong in aiming for growth even in a generally recessionary climate, but Mexico's experience shows that this must be accompanied by moderation and careful surveillance of the balance of payments and foreign exchange cash-flow. That Mexico failed in this respect will make the final shock of an abrupt end to growth all the more painful. Hopes for higher living standards have been raised only to be dashed rudely because the growth rates of the past are now no longer attainable.

## Men & Matters

### China plates

Trouble is a-brewing within the TUC General Council over who should form its six-man delegation to China later this year. At first sight, it seemed one place had been decided yesterday when by 23 votes to two, the Council passed a motion that "the current chairman of the General Council" should lead the hand of brothers.

But what is meant by "current chairman"? Alan Sapper, the left-wing general secretary of the Association of Cinematograph, Television and Allied Technicians holds the post at present. But the chairman of the Council when the trip is scheduled to take place in late autumn will be Frank Chapple, general secretary of the Electrical and Plumbing Trades Union and an equally dedicated right-winger.

The General Council chairmanship depends on the votes of unions at the TUC Congress in September, though custom and practice dictate that those votes go to the most senior member who has not held the post — in this case, Chapple.

A number of those voting for the resolution believed they were doing so on the understanding that Chapple would be going to China, an understanding, however, that was not shared by the motion's sponsors.

An immediate row was only averted yesterday by a smart move to next business. The issue will now be referred back to the international committee where the thorny question of who fills the other five places on the delegation will also be asked.

### Forearmed

John Biffen is determined to prove himself the ultimate House of Commons man, not to be caught out by any procedural quirks. And his preparations

### paid off yesterday when the Speaker suspended Andrew Faulds, the bearded actor MP from Warrley, for a had-tempered protest about the ruling of the chair including a mock Cromwellian outburst in front of the mace.

Ever since he became Leader of the House seven weeks ago, Biffen has carried a folded piece of paper in his wallet setting out the wording of the suspension or "naming" motion so that he would be ready for the occasion whenever it came.

Consequently he was on his feet in a flash when the Speaker called for the suspension to be moved and there was none of the usual delay while the wording is passed down from the clerks.

Biffen has gained full marks from all sides of the House so far for his handling of it in a particularly difficult period. He has earned such extravagant compliments from Michael Foot and other Labour MPs, it is hard to remember that he used to be regarded, mistakenly, as a Thatcherite ideologue.

### Kensington Gore

The Western Saharan crisis split over into Kensington Town Hall when the Organisation of African Unity threw its annual party there the other night. Moroccan diplomats tried to secure the forcible removal of M Lamine Baal, the representative of the Polisario Front which is fighting for the independence of the ex-Spanish colony.

As tempers rose to desert heat what is politely described as "an affray" resulted. A number of guests moved out into the street where discussions were less than inhibited, according to my man on the spot. Polisario became the OAU's 51st member at a meeting in Addis Ababa in February. That

### decision was naturally strongly contested by Morocco and some of her African allies.

Now the strategic question underlying the strong-arm stuff in leafy Kensington this week is whether Colonel Gaddafi who is due to chair the next OAU summit in Tripoli, Libya, in the summer will be able to attract enough participating member states to form a quorum.

He has a difficult task. Since the Addis Ababa decision a number of special OAU committee meetings have been halted by groups of countries supporting either Morocco or Algeria walking out.

### Last perk

The most macabre of shareholders' perks goes up in smoke from June 30. Dundonian, which began as an operator of crematoria but then spread into tin-mining, financial services and property development, is withdrawing the privilege of cut-rate cremation.

Dundonian's reason is that the last of its crematories and crematoria are about to be sold off — in one case to a management buyout. Having disposed of the remains of 20 former shareholders in the past year — "about the average for recent years," said finance director Richard Trew yesterday — the group is casting about for a perk which fits better with its current activities.

Suggestions — from those still on the share-register — would be welcomed.

### Her pleasure

Inevitable, I suppose, that once you become known as "the most powerful woman in New York" you should be tempted to test your strength in U.S. national politics. And after five years as New York superintendent of banks, Muriel Siebert has re-

### signed to run as Republican for the U.S. Senate in the primary elections in September.

Whoever has the temerity to stand against her can expect a tough fight — as the Hongkong and Shanghai Banking Corporation can testify. It is Siebert who stubbornly blocked the Hongkong bank's \$300m takeover of Marine Midland, the 13th largest U.S. bank, for some 18 months until it found a way round her.

Siebert's appointment by a Democratic Governor to head the 550-strong department which regulates New York's banking was open-ended. "I am there at the Governor's pleasure and at mine."

But she stood firm against both local political and federal pressures during the Hongkong controversy and has always been in the thick of the action whether rescuing a savings bank from collapse, changing tax laws or ensuring more mortgages for New Yorkers.

Siebert began her career as a securities analyst but did not tuck long to make her forceful presence felt in New York. She was the first woman member of the New York Stock Exchange — and made the Greater New York Council of the Boy Scouts of America a "co-ed" institution.

### Noted thief

A woman who robbed a store in Canada is in jail pondering that a stitch in time could have saved her six months time. The Canadian High Commission tells me she entered wearing a mask and carrying a butcher's knife, and forced the cashier to hand over some \$300. But the bag she used to carry the money away had a hole in it. Police followed a trail of bills to her apartment. By the time they arrested her they had recovered more than \$200.

### Observer

*Wine*

## Men & Matters

For further information,  
The Rioja Wine Information Centre,  
140 Cromwell Road, London SW7 4HA.

ECONOMIC VIEWPOINT

Snags of currency intervention

By Samuel Brittan

IT IS easy to agree that there have been wide swings in exchange rates which have probably destabilised the world economy and in any case done little good.

Nor is it easy to make too much sense of the 40 per cent rise in the trade-weighted yen index in 1971-73, much of which was lost by the end of 1973, only to be regained in 1980, and then partly lost once more.

Such swings cannot be accounted for by international cost or price movements. In some cases real exchange rates, which allow for these factors, actually swung by greater amounts than the nominal rate.

These swings—which, let us face it, were not expected before the event by academic advocates of floating rates—have given ammunition to European central bank and governmental advocates of official intervention in foreign exchange markets.

There is, however, one fatal gap in the arguments of the interventionists. Looking at the charts in this article, it does not take great sophistication to spot the swings around the basic trend. But it is a far cry from this piece of hindsight to saying that central bankers would have had the knowledge at the time to diagnose the temporary deviations when they occurred.

There is a very elegant theory of how exchange rates can on certain assumptions "overshoot" or "undershoot" their equilibrium values. But there is no reliable method of diagnosing when such overshooting has occurred or how large it is. The central bankers' argument is just one case of the fallacy of supposing that the mere demonstration of a lapse in the market mechanism

Table with 4 columns: Country, Period beginning, Period ending, Profit or loss (-) (\$ millions). Rows include Canada, France, Germany, Italy, Japan, Spain, Switzerland, U.K., U.S.

For France, the profit or loss is calculated assuming intervention is done in Dollars and in Deutsche Marks. A profit is shown for the Dollar figure and a Dollar equivalent loss is shown in parentheses for the Deutsche Mark figure.

is a sufficient argument for government intervention, without giving convincing reasons why the latter should lead to any improvement.

For instance the fall in the dollar against the D-mark from DM4 in 1969 to DM 2.5 in 1973 has proved permanent and not been reversed by subsequent fluctuations.

Today it may seem obvious that the dollar is too high, and that the 25 per cent rise in its trade weighted average in the last year and a half has made U.S. products internationally uncompetitive.

Fortunately it is not necessary to rely entirely on the crystal ball when we can look at the record. For central banks have frequently intervened in foreign exchange markets in the last decade of "dirty floating".

balance by the end of the period. For by then most countries had bought and sold roughly equal amounts of foreign exchange so that their net losses and profits were not affected by the subsequent rise of the dollar.

The main exception was West Germany, which had accumulated \$1.5bn in reserves by the end of 1973 on which there was an unrealised loss of \$3.4bn. To transform the loss into a profit the dollar would have needed to rise above DM 2.09 which it, of course, duly did.

The other exception, which works the other way round, was France. The authorities of that country sold dollars over the period, and the effect of the subsequent rise in the dollar was to transform the profit shown in the table into a loss.

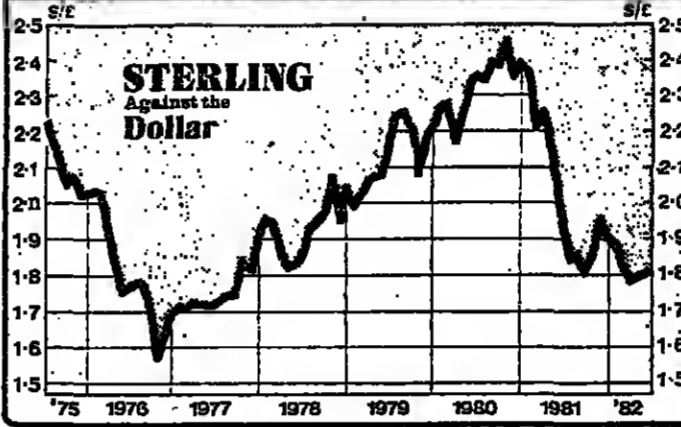
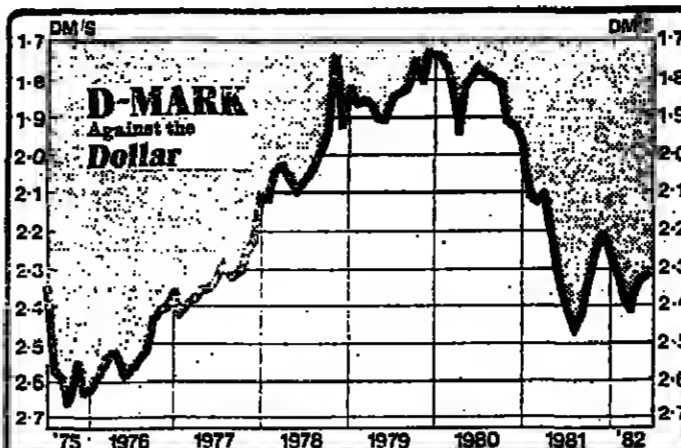
The U.S. Council of Economic Advisers has made one further calculation of the effects of U.S. official intervention, from November 1978 when the decision was made to intervene in a big way and "target bonds" were issued until March 1981 when the new Administration called a halt.

Other governments and central banks want either to challenge Mr Taylor's private enterprise calculations or to report better results than the U.S. Administration's, they should co-operate in the empirical study of the results of intervention, suggested by American officials.

The main evidence so far in favour of intervention has come from a Simon and Coates study by Guyon Davies, which shows that both average changes in the parities of the currencies of the European Monetary System and deviations from these averages in the three years to the EMS's existence have been about half of what they were in the preceding six years.

On the other hand, there has been an increase in volatility against non-EMS currencies; and it is thus far from clear how each member country has enjoyed.

A more basic question, however, is whether it is appropriate to measure success in terms of minimising exchange



Bob Hurchison

rate variations. If there is a fundamental change affecting a currency's long run or equilibrium value, central bank intervention may reduce statistical variation but actually be disruptive. For it will maintain a currency at a false valuation and send out misleading signals to exporters and importers of both goods and capital.

Lombard

Free lunches in Threadneedle St

By Anthony Harris

THE CITY has for many months regarded monetarism as dead for all practical purposes; and now it is thought that another of the doctrines of Milton Friedman is being disproved in London.

Friedman proclaims that there is no such thing as a free lunch. Really? Not according to those reputedly helping themselves to nice nourishing funds at the lunch counter in Threadneedle Street, otherwise known as the Bank of England Discount Office.

"Nourishing," by the way, is the Bank's own word, used by Peter Cooke, the banking supervisor, in commending bank lending; the funds are used to finance what he calls "good nourishing loans."

He has been doing a good deal of brooding recently about what must be happening as a result of the Bank of England's aggressive buying of commercial bills (current holdings: about £6bn). It has proved to be what Holmes called a three-pipe problem, but a persuasive answer has emerged.

Greatly simplified, it goes like this: for a decade now, the Bank of England has struggled to control the money supply without driving up interest rates, or cutting off the supply of credit to private borrowers. As long as the banks held plenty of government debt, this was simple enough: the Government funded its borrowing outside the banking system, and bought in the various official IOUs held by the banks.

Private bank lending grew, but bank lending to the Government shrank. Hey presto. However, when the banks ran out of government paper (apart from their near-subsidy float) a new trick was needed: the Bank began to buy commercial paper instead. However, there is a complication here. The banks are not very large holders of such paper, and are not allowed to borrow by issuing their own bills. Essentially, the Bank of

England has rigged the market to make bill finance cheap, and so encouraged the most credit-worthy borrowers to use this market rather than draw on their overdrafts.

However, this is not just the old policy in new technical dress, as some Bank of England officials claim. (Even if it were, awkward questions might be in order: the old policies were hardly an unmitigated success.) First of all, it involves market-rigging; and where a market is rigged somebody can make a profit, and probably will.

Secondly, it hasn't worked out as expected. Funding did keep the numbers in order: monetary control crises were essentially funding crises. But over-funding doesn't work nearly as well. It seems to have produced a big rise in bank lending, and also in some of the measures of liquidity—the very broad ones, and especially old-fashioned M3, which includes holdings of foreign currency.

What Gordon Pepper has suggested is that this is cause and effect, and his story is highly credible. So far as M3 is concerned, the story is simply one of arbitrage by corporate treasurers. The Bank sometimes makes bill finance so cheap that it pays to issue bills to buy dollars to lend in the Euromarkets, and this seems to happen. The profit is guaranteed—a idea of a free lunch.

Plausible The other half of the story is a little more speculative, but just as plausible. Banks can't issue commercial bills; but their customers can. A bank or a money broker could bid for deposits from such customers at a rate which would show another guaranteed turn, and then make a further turn itself—lending, say, in the mortgage market. And there is a kind of Murphy's law in the City which says that if anything profitable can happen, it will happen—to the tune of £1bn or more, according to Pepper.

Anyone for the smoked salmon?

Letters to the Editor

Pharmaceuticals: a possible saving of £80m?

From the National Industrial Officer, General and Municipal Workers' Union

Sir—British pharmaceutical industry manufacturers are opposing proposals that general practitioners prescribe generic drugs rather than brand names for patients. It has been estimated that if doctors prescribed generic drugs where they are the same as brand names this will result in a saving of some £80m to the national health service.

The Association of the British Pharmaceutical Industry alleges

that if generics were substituted for the higher priced brand names the NHS would only save £24m. This argument is not based on any analysis of fact. In the USA prescription of generic drugs has slashed medical bills. For example in 1978 Illinois promoted the prescribing of generic drugs and drug bills have dropped by over 20 per cent.

Manufacturers claim that "profits" would reduce if less expensive generic drugs were put on prescription rather than brand name drugs and this would affect research initiative. Again this is not borne out by reality. In fact the bulk of so-called research goes on tinkering with existing drugs; basic

new research is a minor part of such activity. In the U.S.A. major manufacturers, who previously fought against the introduction of generic drugs are now manufacturing them—and they still research into new drugs!

At a time when essential services are being curbed in the NHS the Government can act to re-allocate finance from the high cost brand name drug business.

David Warburton, General and Municipal Workers' Union, Thorne House, Rusley Ridge, Claygate, Esher, Surrey.

Joint sovereignty for the Falklands

From Mr H. Shiffner

Sir—Earlier letters of mine—unpublished—have been deeply critical of the Falkland war. I should now like to make a constructive suggestion. Why not joint sovereignty over the islands, something like that enjoyed by the French and Dutch in the Caribbean island of St Martin, where not even an official frontier is necessary? Or a four-power regime like that which brought much prosperity to Tangier, before it was handed over to Morocco? For sure, Argentina could hardly object to Las Malvinas having the same free port status as Tierra del Fuego and one could take it a stage further and convert the territory into a fully-fledged tax haven.

Using some sensible financial incentives of this nature, rather than destructive and belligerent intransigence, a prosperous future could be built up for the inhabitants of the islands which would prove infinitely more beneficial to all concerned than the existing monopoly. And it would be an ideal way to attract the finance necessary for developing not only the offshore oil reserves, but also the eventual exploitation of the suspected riches of the Antarctic Continent. Henry D. Shiffner, Apartado de Corcos 8, Valencia, Spain.

Broadcasting Parliament

From Mr R. Hudson

Sir—May I try to add weight to the plea put forward by Mr D. Robb (May 21) for more airing of Parliament.

I agree completely with his assessment of the quality of recent debates, on the Falkland issue especially, but deplore the fact that a situation of this seriousness is required, before we are treated to at least the sound of the deliberations of those whom we entrust with decisions affecting our future.

I would go further than your correspondent and ask for the often rejected TV channel, permanently transmitting, and available for anyone to follow every detail be chooses. The reasons for the rejections by Parliament on the grounds of encouraging excessive showmanship by some MP seem very spurious. While believing that some showmanship in the House is no harm, the British public has always had a way of recognising ability and honesty and of dealing with gimmickry.

R. R. Hudson, Hazel Road, Woolston, Southampton, Hants.

Private health care

From the Chief Executive, BUPA

Sir—The two letters (May 20) from Dr Balfour-Lynn and Mr Sawyer commenting upon Mr Snoddy's article of May 12 are interesting—particularly in their markedly differing tone and approach. But as they both mention BUPA, and show a basic misunderstanding of one very important point, may I put the record straight?

No proposal to deny BUPA subscribers access to any private hospital, or to discourage them from entry, originated in this office. The action described by Mr Snoddy was taken by certain employers who provide BUPA groups for their staffs quite spontaneously; we learned of it only after the event.

Dr Balfour-Lynn's analysis of the situation is based upon his presumption that the inner financial workings both of BUPA and Department of Health and Social Security are unbound. He certainly is not privy to our councils, and I know that DESS has always refused to disclose the details upon which its annual pay-bid charges review is based. He compounds his unjustified claim to such inner knowledge by a patent mistake—referring to the private sector in the National Health Service subsidising the use of NHS staff, when, if his argument is to make sense, he must mean the reverse. Incidentally, his charge—correctly interpreted—implies a dereliction of statutory duty by successive Secretaries of State, who over the years have given many undertakings that charges are pitched at a level which obviates any subsidisation of

the private patient, as laid down in various Acts. Mr Sawyer's letter—apart from his basic error, in ascribing to us the role of prime mover—gives a much more constructive and credible analysis of why those purchasers of BUPA insurance who decided to embark upon a limited measure of cost containment, acted as they did. Surely, such prudence in the face of economic circumstances, and escalating costs is to be commended?

Derek V. Damerell, Provident House, Essex Street, W.C2.

Cheque clearing costs

From Mr A. Wholley

Sir—In your report (May 19) on the Co-op Bank link with the Abbey National you state that it costs 40p to 50p for the major clearing banks to clear a cheque but that the Co-op Bank is able to clear cheques at a substantially lower cost because of its "modern clearing facilities".

Are you seriously suggesting that the clearing banks are checking away hundreds of millions of pounds a year simply because their clearing facilities are not as modern as those of the Co-op Bank? I cannot believe this is true.

Those of your readers who understand the impact of volumes on unit costs may suspect an alternative explanation for variations between cheque handling costs in these banks. The major clearing banks have been around a long time and their cheque clearing facilities were set up to handle a certain volume of transactions. If the rest of industry has had the

Reduction of postal services

From the Director, Mail Users' Association

Sir—In his letter (May 15) the chairman of the Post Office Users' National Council attempted to justify his organisation's support for the reduction of postal services in London. What he did not explain was why the POUNC failed to go through the normal consultation procedures with interested parties. Various trade associations, chambers of commerce and trade, MPs, local authorities, and the general public were not asked for their views.

The POUNC may consider the loss of service to 21m first-class letters a trial; the MUA considers that those who have paid some £3.2m in postage do not. M. E. Corby, 137, Dulwich Road, SE24.

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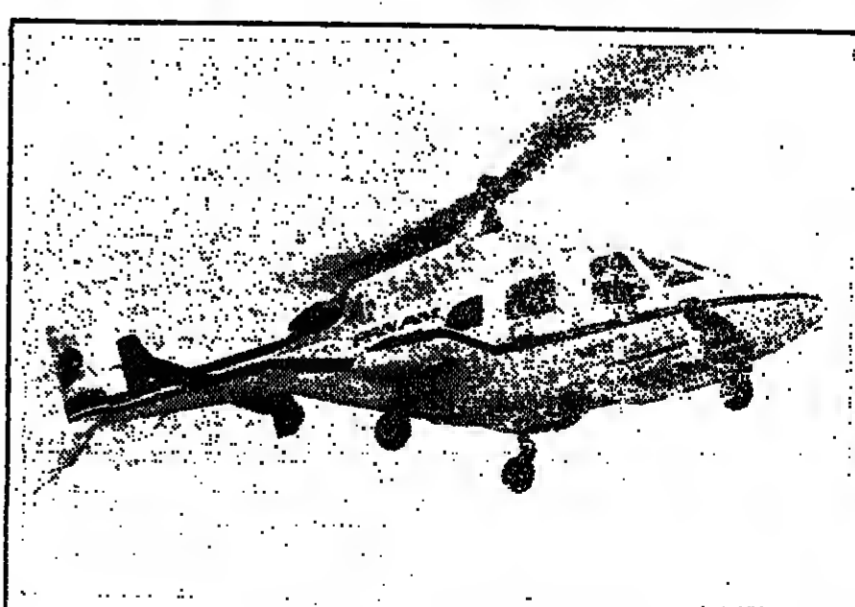
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UK COMPANY NEWS

Companies and Markets

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., Aug. Last, Nov. Last, Feb. Last, Stock. Includes entries for GOLD, NL, AKZO, HOOG, KLM, NED, etc.

Capital & Counties moves ahead—£21m surplus

AN INCREASE from £6.93m to £7.56m in pre-tax revenue is reported by Capital and Counties, the property, development and housebuilding group, for the year ended March 25 1982. The dividend is raised from 3.4p to 3.8p net per 25p share, with a final of 2.6p (2.4p). An independent professional valuation of the group's investment portfolio has thrown up a surplus of £21.1m — an increase of 15 per cent — which has been reflected in the capital profit.

Dundonian up 54% at £2.8m

WITH turnover more than doubling, from £7.83m to £15.66m, taxable profit at Dundonian rose by 54 per cent in the year to March 31 1982, from £1.83m to £2.82m. Profit at six months was £1.22m. This was the 11th consecutive year of profit growth, and the directors are confident it will continue.

Copydex jumps to £169,000

TRADING SURPLUS at Copydex jumped from £15,000 to £169,000 at the end of 1981. Sales advanced from £5.04m to £5.29m. After six months, this maker of adhesives, do-it-yourself products and floor covering accessories recorded a pre-tax profit of £128,000. A final dividend of 1.2p net per 10p share makes a total of 2.4p, compared with 1p for 1980, when the interim was omitted.

NCI profit up to £2.29m

NCI profit before tax and interest at NCI (UK) rose to £2.29m in 1981, on turnover of £74.57m. The directors say trading in the current year is encouraging, especially against the general level of trading in the construction industry.

MINING NEWS Western Mining raises A\$68m

AUSTRALIA'S Western Mining announces a A\$68.4m (£40m) fund-raising via the placing of 19m shares at A\$3.60 (21p) with shares will rank equally with those now in issue which were 21.5p in London yesterday. The placing, which is understood to have been completed in Australia, will not unduly dilute the company's capital, there previously having been some 256m shares in issue.

Clutha coal closures to go ahead in NSW

TALKS in Canberra yesterday failed to avert the closure of two of Clutha Development's coal mines in New South Wales, with the loss of 215 jobs, reports Michael Thomas-Novel, Union leaders have threatened to halt at least five new coal mining projects in Queensland and NSW unless given adequate job guarantees.

Gulf shutting a zinc mine

THE U.S. Gulf and Western Industries' natural resources group is to close its Jefferson City underground zinc mine in Tennessee for an indefinite period. The group will partially offset its production loss at the mine by increasing output at its nearby Beaver Creek property.

S. AFRICAN GOLD OUTPUT RISES

Gold production in South Africa rose in the month of April to 1,783,514 ounces, compared with the March total of 1,723,537 ounces. The latest figure is also higher than the 1,752,653 ounces produced in April last year.

Sunbeam Wolsey Limited 1981 Results

Sunbeam Wolsey Limited 1981 Results. The 54th Ordinary General Meeting of the Company was held in Cork on Wednesday 26th May 1982. The following are extracts from the Statement by the Chairman, Mr. J. A. O'Connell. The profit before taxation at £676,130 shows a distinct improvement over that of 1980 at £325,959 but is far short of that recorded in the more normal trading atmosphere of 1979 at £1,482,522.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not given as to whether the dividend is intended or not and the subdivisions shown below are based mainly on last year's timetable.

RESULTS AND ACCOUNTS IN BRIEF

W. H. SMITH AND SON (HOLDINGS) (newsagents, books, stationery, etc.)—Results for year to January 30, 1982, reported April 29. Shareholders' funds £100.53m (£95.49m); loans £4.65m (same); net current assets £11.38m (£12.29m); fixed assets £90.89m (£87.22m); net increase in liquid resources £3.24m (£818,000 decrease). Meeting: International Press Centre, Shoe Lane, EC, June 17, noon.

M. J. H. Nightingale & Co. Limited. 27/28 Lovat Lane London EC3R 8ES. Telephone 01-621 1212. Table with columns for 1981-82, Company, Price, Gross Yield, P/E, Fully Paid.

Balance Sheet as at December 31, 1981. The Shareholders' Meeting held on April 13, 1982 approved the balance sheet for the year ended 31.12.1981. During the year, the institution's activity has recorded considerable increases in all operating sectors. Managed financial resources have reached Lire 5,918.8n (against Lire 5,463.8n, + 8.31%) of which Lire 3,320.8n provided by clients.

MAIN DATA FROM BALANCE SHEET 31/12/1981 31/12/1980 (in billion lire). Total deposits 5,918 5,463. Securities and assets on deposit 2,526 1,784. Total loan portfolio 3,318 2,659. Net profit 10.6 9.6. Share capital and reserves 195.7 151.2. Balance Sheet total 14,152 11,519.



HEAD OFFICE: MILAN

Companies and Markets

BIDS AND DEALS

# Commission ruling soon on British Sugar plea

BY RAY MAUGHAN

THE European Commission is expected to make an interim judgment within the next week or so to decide the competition issues raised by British Sugar Corporation in March under Article 86 of the Treaty of Rome. British Sugar made representations to the Commission in an attempt to block what the best producer otherwise sees as the prospect of an almost inevitable fresh bid from S. and W. Berisford, the commodity trader.

acknowledged 52 per cent of sugar consumption in its domestic market led to an abuse of dominance within EEC markets. Berisford is widely expected to renew its EEC campaign to acquire British Sugar and is free to do so from the beginning of July. While Commission officials were unwilling yesterday to predict the outcome of the interim judgment, any ruling in favour of British Sugar would prevent Berisford from taking further action until formal hearings involving each party can be heard before the EEC Competition Directorate.

stood that it could be liable to a fine of up to 10 per cent of its turnover. A ruling against British Sugar, on the other hand, would give Berisford a free hand to pursue its target within the bounds of the City Code. Berisford has made it clear that it had consulted the relevant officials in the EEC before its initial approach and although it was then presenting no more than a hypothetical proposition, it was given the impression that there would be no objection from the Commission. The 10.5 per cent stake in British Sugar bought last year by Ruzik Hoyis McDougall would, if sold to Berisford, give the commodity dealer majority control.

# 93.5% accept S. Pearson offer

S. PEARSON & SON said yesterday that it had received acceptances, totalling 14.1m shares, to its offer from shareholders of Pearson Longman, the publishing group whose interests include the Financial Times.

S. Pearson represent 93.5 per cent of the equity for which the offers were made, and 34.1 per cent of the existing issued ordinary share capital. Acceptances have been received from 72.4 per cent of the holders of the shares.

shares to which accepting ordinary shareholders of Pearson Longman may become entitled was accepted in respect of 3.27m S. Pearson ordinary shares. This offer has now closed.

Last month, S. Pearson, whose activities range from banking to industrial and leisure interests, made an offer worth £52m for the publicly-held minority interest of 36.4 per cent in the group's separately quoted subsidiary, Pearson Longman.

S. Pearson owned 26.2m ordinary shares in Pearson Longman—83.6 per cent—prior to the offer period and has not (other than pursuant to the offers) acquired or agreed to acquire any shares in Pearson Longman during this period.

The offers for the ordinary shares of Pearson Longman have been declared unconditional as to acceptances and remain open until further notice. Certain conditions of the offers remain to be satisfied, and a further announcement will be made after the extraordinary general meetings of S. Pearson and Pearson Longman convened for tomorrow.

# Lonrho talks with OFT continue

LONGRHO SAID yesterday that its discussions with the Office of Fair Trading about the Monopolies and Mergers Commission's objections to Lonrho taking over House of Fraser were continuing.

Fraser by Lonrho would be against the public interest. The board of House of Fraser, which includes two Lonrho representatives, met yesterday to consider the annual report and accounts which are due to be published later this week.

made moves to place its own resolutions on the House of Fraser agenda for the annual general meeting which may lead to another proxy battle for shareholders' votes. It would be the third proxy battle that Lonrho had fought in two years to gain more influence over House of Fraser's affairs.

# Menzies has over 50% of Lonsdale ordinary

John Menzies (Holdings), the newspaper, bookseller and stationer, owns or has received acceptances to its offer for Lonsdale Universal, in respect of a total of 4,536,422 ordinary shares in Lonsdale, representing 51.36 per cent. The offer has therefore become unconditional as to acceptances.

capital, had been received in respect of 270,820 ordinary shares (3.01 per cent) and 1,307 first cumulative preference (2.9 per cent), and second cumulative preference shares (88.91 per cent).

THE SAVOY Mr H. Morton Neal, a director of The Savoy Hotel group, has bought 5,324 of the low voting "A" shares in the group. The Savoy Hotel group is set for a confrontation tomorrow at its annual general meeting at Savoy with Trusthouse Forte. THF with 65 per cent of the low voting "A" shares is attempting to increase the number of directors on the Savoy board from 11 to 12 and is seeking to place Mr Eric Hartwell, joint chief executive of Trusthouse, to the board.

# Ex-chairman loses control of Kraft Productions

Kraft Productions, a small Somerset furniture manufacturing company based in Bridgewater, has passed out of the control of Mr L. D. Lewis, the former chairman and holder of more than 55 per cent of the 1m ordinary shares.

resigned from Kraft's board, but Mr Lewis remains a director and the board otherwise remains the same, with Mr M. L. Treharne its managing director. Of the shares not formerly owned by Mr Lewis, about 9 per cent remain held by Mr John Carr, the finance director, leaving just under 40 per cent held by smaller individual shareholders. Kraft had losses of £72,775 in the half-year to last June and has not yet released its year-end results.

### Water issues

The Bournemouth and District Water Company's recent offer for sale by tender of £15m 9 per cent redeemable preference stock 1987-89 attracted applications for £2.8m of stock. The lowest price to receive a partial allotment was £100 (the minimum tender price) and the average price obtained was £100.637.

### SHARE STAKES

Single Group — K. P. Legg purchased 100,000 ordinary shares and M. S. M. Johns 2,500 ordinary shares.  
 Unilever—United States Debenure Corporation disposed of 142,500 third cumulative preference ordinary shares reducing holding to 60,000 shares (8.01 per cent). Norwich Union Fire Insurance Society acquired 142,500 third cumulative preference ordinary shares making total holding 142,500 shares (14.3 per cent).  
 The Burton Group—W. M. Wood, a director, has acquired by exercise of option 30,000 ordinary shares and disposed of 70,000 ordinary and 10,000 warrants.  
 Harris Group — Anna Malman, wife of director, acquired 80,000 ordinary shares.  
 A. G. Stanley Holdings—Mr M. J. Stanley, chairman, sold 400,000 ordinary shares leaving holding of 1.6m (6.31 per cent).  
 Bisichi Tin—Janjar on May 31 purchased 25,000 ordinary and now owns 1.07m (18.4 per cent).  
 Itifund—Kuwait Investments Office holding of income shares is now 430,000 (8.96 per cent).  
 J. C. Small Tidmas—Tradincom S.A. holds 110,313 shares (9.19 per cent).  
 British Vite—F. A. Parker and J. H. Ogden, directors and trustees of the estate of the late Norman Gynshaw, have transferred 174,361 ordinary shares to certain beneficiaries under the trust including 60,712 to N. W. Gynshaw, a director.  
 Bagbridge Brick—Royal Bank of Scotland London Trustee Company's shareholdings total 260,000 shares. These exceed 5 per cent of issued capital.  
 Schroders—Vincitas interest increased from 2.04m (13.01 per cent) shares to 3.54m (22.6 per cent) as a result of the reorganisation of certain settlements made by members of the Schroder family of which it is now a trustee.

# Laskys in £1m deal for Tyne Video

Laskys, the consumer electronics retailing division of Ladbroke, has acquired for £1.13m cash, 75 per cent of the capital of Tyne Video, a company specialising in the sale and hire of commercial video equipment and the design and installation of video systems for industrial purposes.

# Staff cut plan for Pearson (Chesterfield)

THE RECEIVERS at Pearson and Co (Chesterfield) hope to obtain union agreement to lay off 60 of the company's 117 workers on Friday. Mr Peter Stephens and Mr Tony Richmond of Peat, Marwick, Mitchell, chartered accountants, said attempts over the past seven weeks to find a buyer for the company, which makes traditional polyester monoware, had been unsuccessful. The size of the existing business clearly does not justify the occupation of the whole of the company's Pottery Lane site and it is too large to maintain a profitable company, they said. The receivers are nevertheless still optimistic that the Pearson business, begun in 1910, can be continued. Agreement has been "more or less reached" with the General and Municipal Workers' Union about the cuts. The workforce has already been cut from 240 since February.

# Exco approves acquisition of W. I. Carr

The acquisition of W. I. Carr Sons and Co (Overseas) has been approved in a general meeting at Exco International. The acquisition is unconditional and it is expected that completion will be in June 1982 on completion of the audited accounts for Wico for the period to April 30 1982.

### FIFE INDMAR

The directors of Fife Indmar have announced that following the acquisition of Park Naval Engineering the first additional payment of £150,000 will be satisfied by the issue of 132,202 ordinary shares.

# BALANCE SHEET '81 - GROWTH AND SAFETY

In 1981 our total business volume exceeded 10 billion Deutsche Mark for the first time and the total equity amounted to DM 376 million.

Our expansion, which was marked by the development of our Branches in the Federal Republic of Germany and in London, was due to an increase in business with our customers as well as interbank transactions.

We were able to considerably increase our net interest received and commissions. Since our operating expenses grew less rapidly, our result of ordinary business more than doubled.

After prudent value adjustment and after netting against extraordinary revenues and taxes, our net profit amounted to DM 17.4 million, which permits the payment of a 12% dividend.

Our consolidated balance sheet includes Berliner Bank International S.A., Luxembourg, as well as our consumer credit group, leasing company and mortgage bank. Group business volume amounted to DM 19.4 billion at year end 1981. Further detailed information can be obtained from our Head Office in Berlin, our London Branch or our Luxembourg subsidiary.

**Balance Sheet:**  
(in million DM)

	1981	1980
Deposits	6,588	6,233
Due to banks	2,175	1,634
Loans	5,501	5,030
Due from banks	2,817	2,145
Business volume	10,124	9,023

**Profit and Loss Account:**  
(in million DM)

	1981	1980
Net interest received and commissions	329.4	256.1
Operating expenses	238.3	213.7
Result of ordinary business	91.1	42.4
Net profit	17.4	-

# BERLINER BANK AKTIENGESELLSCHAFT

Head Office: Berliner Bank AG, Hardenbergstrasse 32, D-1000 Berlin 12 - Telephone (30) 31 09 25 65  
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 In Luxembourg: Berliner Bank International S.A. Telephone 47 781

# Tate & Lyle Points from the 1982 Interim Statement by the Chairman, the Rt Hon Earl Jellicoe

\* UK refining has continued to benefit from the closer alignment of productive capacity with customer demand. Modernisation plans are proceeding satisfactorily.

\* Our sugar trading and molasses businesses achieved improved results.

\* Higher earnings by our associated companies.

\* Redpath has faced the impact of low world sugar price and depressed economic conditions, resulting in losses in its Zymaze joint venture and construction materials division.

\* Measures taken over the last three years should help us to maintain progress.

	1982 Six months to 27 March	1981 Six months to 31 March
Pre-tax profits	£15.0m	£14.4m
Interim dividend per £1 ordinary stock unit	4.0p	4.0p
Earnings per £1 ordinary stock unit	17.7p	13.6p

### GROUP PROFIT AND LOSS ACCOUNT

(Unaudited, historical cost basis)

	1982 6 months to 27 March £ million	1981 6 months to 31 March £ million
Turnover	920.8	1039.9
Trading profit	19.4	20.0
Interest	7.7	6.4
	11.7	13.6
Share of associated companies' results	3.3	0.8
Profit before taxation	15.0	14.4
Taxation	5.9	5.4
Profit after taxation	9.1	9.0
Profit attributable to minority interests	(0.6)	1.5
Profit attributable to the stockholders of Tate & Lyle PLC	9.7	7.5
Dividends	2.2	2.2
Profit retained before extraordinary items*	7.5	5.3
Earnings per £1 ordinary stock unit	17.7p	13.6p
*Extraordinary profits	nil	£3.3m

\*\*The results for the 6 months to 31 March 1981 have been adjusted for exchange rates at 26 September 1981.



Copies of the Interim Report for the six months to 27 March 1982 will be mailed to stockholders shortly and may be obtained from J.E. Wright, Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

# Carlton Industries

## Group Results for 1981

	1981 £'000	1980 £'000
Turnover (excluding Comben Group)	102,507	107,982
Group trading profit before taxation	8,069	12,240
Profit attributable to shareholders	6,006	9,380
Dividends per share	7.5p	12.0p
Earnings per share	22.1p	36.6p

Copies of the Report and Accounts are available from the Secretary, Carlton Industries PLC, Clifton Heights, Triangle West, Clifton, Bristol BS8 1EJ.

# BRITISH CANADIAN RESOURCES LTD

Results for the year ended  
31st December 1981

The Company was established in November 1980 and raised Can\$30m to participate in oil and gas exploration in North America.

### Summary of Results

	Reserves discounted at 15%	20%
Total resources*	Can\$40.3m	Can\$34.1m
Equivalent per share	Can\$12.84	Can\$10.89
Cash flow for year	Can\$2.3m	
Equivalent per share	Can\$0.72	
Net earnings for year	Can\$1.2m	
Equivalent per share	Can\$0.39	

\*Representing the value of reserves, working capital and undeveloped land.

- As at 31st December 1981, the Company had invested Can\$19.6m, out of which \$16.0m was spent on oil and gas exploration and on development. The Company had working capital of over Can\$11.0m and no debt.
- During the year 113 wells were drilled, of which 19 found oil and 51 found gas.
- Net income from sales of oil and gas amounted to Can\$739,000. During 1982, the Directors forecast net income from the sale of oil and gas of between Can\$2.5-3.0m.
- The Company's financial position will adequately support its commitments for the current year.
- By the end of 1982, the Company will have invested Can\$30m, of which at least 80% will have been spent in the United States and 20% in Canada.

### Meeting for U.K. shareholders

As stated in its prospectus, the Company will hold annual meetings in London for its U.K. shareholders. The first such meeting will be held on 7th June 1982 at 11.30 am at The Ironmongers' Hall, Aldersgate, London, EC2.

For copies of further copies of the 1981 Annual Report, please post the coupon below to Midland Bank plc, Registrars Department, Cannon Row, Silver Street, Head, Sheffield, S1 3RD (quoting reference "B.C.R.")

Please send me a copy of the Annual Report of British Canadian Resources Limited (and add me to your mailing list for the company's quarterly reports) \* Cross out if not required.

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## REPORTS TO MEETINGS Sun Alliance hit by weather losses

THE Sun Alliance Group got off to a bad start in 1982, paying out £18m on winter weather claims in the UK since the New Year. Lord Aldington, chairman of the group said at the AGM that because of the impact of weather losses both at home and abroad, the group had sustained an overall loss in the first quarter, despite a satisfactory increase in investment income.

Referring to operations overseas, Lord Aldington stated that the difficult underwriting conditions still persisted and the total underwriting loss from overseas was higher than a year ago.

Mr Tim Collins, chairman of Guardian Royal Exchange Assurance also confirmed that losses from weather damage in the first quarter in the UK were the highest on record. He felt that unlike last year, the UK would not be able to produce an underwriting loss in 1982.

He reaffirmed that the primary

objective of the rights issue made a year ago was to actively seek opportunities for expansion through acquisitions particularly in the U.S. Many possibilities were examined during the year, but none were found to give good value for money or conform with the criteria required to meet shareholders' interests. The money raised would remain well invested until the right opportunities occurred.

Mr Philip Walker, chairman of Sun Life Assurance Society, told shareholders that the Society had continued to be fully invested in the first four months of this year, with the majority of new money going into both fixed interest and index linked gilts. New life business, after a slow start because of the weather, was higher in the first four months of the year compared with last year. Group pension business, however, continued to be inhibited by the recession.

## NEI makes good progress

Northern Engineering Industries chairman Mr Duncan McDonald reported that good progress had been made by the group in UK operations in the early months of 1982 based upon the substantial order intake last year. He said that the group had made a significant impact on export markets despite fierce international competition.

The group started the current year with an order book substantially higher than 1981 and the early part of 1982. He felt that the group's progress would continue.

At other annual meetings yesterday, chairmen reported as follows:

**Creda International** — The year began badly due to severe weather conditions in January but the company had not expected the month to be very good. There was a large measure of recovery in February, and March produced the rate of profit required to

fulfil the group's forecast. Initial returns for April looked satisfactory.

**James Nelli Holdings** — Export demand had fallen as more markets enter into the recession from which the UK had been suffering. There was a modest return in UK demand but total sales for the first half of 1982 were unlikely to exceed those for the preceding six months. Impossible to predict second half trend but company in strong position to benefit from any upturn.

**Supra** — Despite a poor start the group was 11.5 per cent ahead in the first five months of the current year. Acquisitions were being sought and company hoped to enlarge its scope soon.

**Weir Group** — Results for 1982 expected to be similar to 1981, with a better performance in the second half than in the first. Efforts being made to expand overseas markets for products and identify new ones.

### INVESTMENT COMPANIES

## Monks Investment lower

As predicted, the shift of further funds abroad left earnings of Monks Investment Trust lower for the year ended April 30 1982. At the pre-tax level they emerged at £2.72m, compared with £2.93m, and are expected to decline further in the current year.

The year's dividend is held at 2.4p net by a same-again final of 1.3p and although further drawings on the revenue reserve will be required in the current year, the directors do not intend to

reduce the rate of dividend. They believe earnings should grow in time at a more rapid rate than in the past.

Gross income for 1981-82 declined to £3.59m (£3.53m). Tax took £1.03m (£1.01m). Stated earnings per 25p share were 2.18p (2.47p) and net asset value per share was 98.5p (100.6p).

The proportion of funds invested overseas has risen from 62 per cent to 67 per cent.

### WITAN INVEST.

After-tax revenue of Witan Investment Company improved from £3.22m to £3.73m for the year ended April 30 1982. Gross income rose by some 14 per cent to £8.99m, against £6.11m.

Earnings per 25p share rose by 13.8 per cent from 1.88p to 2.14p. A final dividend of 1.1p makes a total payment of 3.1p (adjusted 1.57p).

Net asset value per share was 94.7p (98.7p) taking prior charges at par, or 98.5p (100.5p) at market value.

### F. & C. ISI.

Pre-tax revenue of F and C Enterprise Trust for the period July 27 1981 to March 31 1982 totalled £166,508 after expenses of £35,493. Total revenue of the company, which obtained a Stock Exchange listing last July, amounted to £242,001.

Tax took £79,442 and stated earnings per 10p share were 0.15p. Net asset value per share as at end-March 1982 was 19.3p.

### ENGLISH & INT.

Revenue of English and International Trust increased slightly from £644,480 to £659,692 for the year ended April 5 1982, after tax of £427,357, against £411,965.

The final dividend is raised from 4p net to 4.25p for a higher total of 5.75p (5.5p) per 25p share. After preferred and ordinary dividends, net revenue retained was £29,001 (£29,312).

Net asset value per share was 149.87p (168p) after deducting debenture stocks and preferred shares at their nominal values and including dealing investments at market value.

### JERSEY GENERAL

Profit after tax at Jersey General Investment Trust improved from £955,000 to £1,025m in the year to April 30 1982.

A final dividend of 6.25p gross (6p adjusted for the scrip issue) lifts the total to 10.75p gross per share (10p adjusted). Net asset value per £1 share is given as 192p, against 210p.

## Yearlings total £13.55m

Yearling bonds totalling £13.55m at 13 1/2 per cent redeemable on June 1 1983 have been issued this week by the following local authorities.

- Lothian Regional Council £0.5m; St Helens Metropolitan BC £0.5m; Tamworth (Borough of) £0.5m; West Somerset DC £0.5m; Hyndburn (Borough of) £0.3m; Newham (London Borough of) £0.75m; St Edmundsbury BC £0.6m; London (Corporation of) £1m; Chesterfield (Borough of) £0.5m; Glasgow (The City of) DC £1m; Copeland BC £0.5m; Chelmsford BC £0.5m; Dudley Metropolitan BC £1m; Hereford (City of) £0.5m; North Tyneside Metropolitan BC £1m; Presell DC £0.5m; Swale BC £0.75m; Aberdeen (City of) DC £1m; Monklands DC £0.75m; Newbury DC £0.25m; Northampton BC £0.75m.
- Llwy Valley (Borough of) has issued £1m of 14 1/2 per cent bonds at par for redemption on May 20 1983 and North Devon DC has issued £0.25m of 13 1/2 per cent bonds also at par for redemption on May 23 1984.

### LONDON TRADED OPTIONS

Option	Exercise price	July		Oct.		Jan.		Equity close
		Vol.	Closing offer	Vol.	Closing offer	Vol.	Closing offer	
BP (c)	250	64	15	72	5	—	—	51p
BP (c)	280	44	15	18	7	—	—	48p
BP (c)	330	9	1	18	7	—	—	55p
Cons. Gld (c)	350	18	40	25	1	—	—	—
Cons. Gld (c)	380	6	4	5	—	—	—	—
Cons. Gld (c)	450	8	10	5	—	—	—	—
Cons. Gld (c)	480	37	1	50	15	—	—	—
Cons. Gld (c)	480	67	1	77	15	—	—	—
Cons. Gld (c)	50	15	68	18	9	—	—	86p
Clide. (c)	20	6	7	10	10	—	—	—
GED (c)	650	292	1	137	—	—	—	90p
GED (c)	80	110	2	1	—	—	—	—
GEO (c)	650	70	15	100	—	—	—	125p
GEO (c)	800	34	3	20	1	—	—	90p
GEO (c)	850	10	6	30	1	—	—	—
Gr'd Met. (c)	180	30	—	38	6	—	—	90p
Gr'd Met. (c)	200	13	—	13	—	—	—	—
Gr'd Met. (c)	220	4	—	9	18	15	—	—
Gr'd Met. (c)	180	8	—	7	14	7	—	—
Gr'd Met. (c)	220	15	10	27	10	—	—	—
ICI (c)	300	24	5	40	1	—	—	48p
ICI (c)	350	14	5	25	—	—	—	38p
ICI (c)	380	14	5	25	—	—	—	27p
Land Sec. (c)	330	1	—	7	—	—	—	—
Land Sec. (c)	330	1	—	7	—	—	—	48p
Shell (c)	350	106	—	112	2	—	—	—
Shell (c)	350	78	—	94	—	—	—	—
Shell (c)	390	49	76	58	3	—	—	—
Shell (c)	420	24	14	26	15	—	—	—
Shell (c)	230	7	—	11	—	—	—	—
Shell (c)	480	13	56	22	—	—	—	—
Barclays (c)	460	22	1	37	47	—	—	45p
Imperial (c)	200	11 1/2	10	14	8	—	—	97p
Imperial (c)	300	6	14	8	—	—	—	35p
Imperial (c)	350	8	—	—	—	—	—	—
Laemo (c)	100	5 1/2	—	—	—	—	—	59p
Lonrho (c)	80	7 1/2	14	7 1/2	—	—	—	8 1/2
Lonrho (c)	70	3 1/2	4	—	—	—	—	—
P & O (c)	140	14	8	13	—	—	—	347p
Rascal (c)	450	22	8	48	—	—	—	41p
Rascal (c)	390	3	1	17	—	—	—	33
Rascal (c)	420	30	1	47	—	—	—	427p
RTZ (c)	460	14	4	27	60	—	—	35
RTZ (c)	390	5	10	25	10	—	—	—
RTZ (c)	420	14	10	25	35	—	—	—
Vaal Rfa (c)	50	2 1/2	5	24	—	—	—	94p
Vaal Rfa (c)	45	3 1/2	10	15	—	—	—	—
Vaal Rfa (c)	45	3 1/2	10	15	—	—	—	—
Vaal Rfa (c)	55	8 1/2	4	11	—	—	—	—

## Hambros Trust revenue rises

Net revenue of the Hambros Investment Trust rose from £1.5m to £1.91m in the year to March 31 1982, after higher tax of £1.27m compared with £890,000.

Earnings per 25p share are stated higher at 3.5p (3.3p adjusted) and the dividend is being raised from an adjusted 3p to 3.3p net with a higher final of 2.3p (2p adjusted).

The net asset value per share is given as 117p (117.7p adjusted) with prior charges deducted at nominal value, and as 121.6p (122.6p adjusted) with prior charges deducted at market value.

## TR Industrial little changed at £6.75m

Slightly reduced net revenue has been shown by TR Industrial and General Trust for the year to March 31 1982, falling from £6.57m to £6.75m. Gross income was ahead at £12.83m against £12.2m.

As predicted in early March the final dividend is held at 1.3p which maintains the total at 3p. Earnings per 25p share were given as 3.13p (3.19p).

Tax took £3.32m (£3.08m). Total assets less current liabilities are shown as £250.31m, compared with £253.57m. Net asset value per ordinary share emerged at 105.1p (107.8p).

# SUN ALLIANCE INSURANCE GROUP

ANNUAL GENERAL MEETING  
The Annual General Meeting of Sun Alliance and London Insurance plc was held yesterday at the Head Office of the Company in Bartholomew Lane, London, E.C.2.

Lord Aldington, the Chairman, presided and in addressing the Meeting stated:—

"As you will know, it is my custom at the Annual General Meeting to give an indication of our experience since reporting our annual results. I must stress though that one quarter's experience is not a reliable guide to the outcome for the year.

"The year has started badly. At home our results have been seriously affected by the winter weather claims which are estimated to have cost us some £18m. The difficult underwriting conditions to which I referred in my Statement have persisted in most overseas territories and our total underwriting loss from our overseas operations is higher than a year ago.

"Despite a satisfactory increase in investment income the impact of the weather losses both at home and abroad is such that, in common with other composite offices who have announced their first quarter's results, we have sustained an overall loss for the first quarter."

A Vote of Thanks to the Directors and Staff was proposed by Sir Nicholas Goodison.

## Jackson Group

Construction and Industrial Services  
• Continued growth in a difficult year for the construction industry.  
• Stronger balance sheet with reduced borrowings.  
• Confident of further progress in 1982.

Year to 31 December	1981	1980
Revenue	17,698	17,369
Pre-tax profits	845	780
Profits after tax and extraordinary items	821	643
Earnings per share	32.5p	31.8p
Dividends per share—Gross	7.5p	7.0p
—Net	5.25p	4.9p

The Company's shares are traded on The Over-the-Counter Market. The full Report and Accounts are available from Jackson Group Limited, Dobbs Lane, Kesgrave, Ipswich.

## Williams & Glyn's men join Bankers Trust

Two senior staff from Williams & Glyn's Bank have joined the London office of BANKERS TRUST COMPANY OF NEW YORK. Mr Graham R. Godley becomes UK co-ordinator for trade banking services, as a vice-president. At Williams & Glyn's he was manager, export finance. Mr John Gaster has joined Bankers Trust as senior European economist at vice-president level. At Williams & Glyn's he was head of corporate planning. Mr Gaster succeeds Mr Roger Brookhouse, as head of economics. Mr Brookhouse has transferred to loan syndications department at Bankers Trust International in London.

Mr Michael Ginn, hitherto with Bristol Helicopters, has been appointed managing director-designate of British Airways Helicopters, by Sir John King, chairman of British Airways. Mr Ginn will take over from the present managing director of BAH, Mr Russell Keeffe, later this year.

Mr Alan Parker has been appointed to the board of CREST HOTELS as sales and marketing director. He is currently sales and marketing director of Thistle Hotels.

LLOYD THOMPSON (INSURANCE BROKERS) has appointed Mr Jonathan P. Marshall as director responsible for reinsurance.

Mr Carl-Dietrich H. G. Hamilton has been appointed a director of HAMBROS BANK.

Mr Paul Stanborough has been appointed a director of POWER TECHNOLOGY, a subsidiary of Norbain Electronics.

BECKMAN - R11C, High Wycombe, has appointed Mr Peter E. Mansfield as manager of the industrial group. He was director of marketing for Altek Scientific Inc in the U.S.

Mr Thomas Rutherford has been re-appointed chairman and member of the NORTH EASTERN ELECTRICITY BOARD for five years from May.

Mr David Campbell, a director of Scottish and Universal Newspapers, has been elected president of THE SCOTTISH NEWSPAPER PROPRIETORS ASSOCIATION.

The NEWWEY & EYRE GROUP has appointed Mr Robert J. Elmore as financial director. He will retain his responsibility as financial director of the group's UK electrical distribu-

tion company, Newwey & Eyre. Mr David Yarnall has been appointed financial controller of Newwey & Eyre Ltd and a director of the company's four regional operating boards.

Mr S. V. Ahen, joint managing director of WYNMOUTH LEER & FATOLS, will be taking an early retirement on July 5. In 1979 the company was acquired by British Tar Products. Last year Mr David J. Smith was seconded from BTP Cocker Chemicals as his successor and joined the board.

BARIC COMPUTING SERVICES has appointed Mr Chris Gent as managing director. Mr Gent has also been appointed a director of ICL, one of the parent companies, with Barclays Bank of Baric, since March, when Baric's previous managing director, Mr Kell Hopkins, was appointed manager of ICL's applications systems division. Mr Gent has been acting general manager.

Mr A. L. Lodge, secretary for the past 20 years of the LONDON LIFE ASSOCIATION has retired. He has been succeeded by Mr J. Fockett.

The Trade Secretary is to re-appoint Mr John Mulken as a full-time member of the BRITISH AIRPORTS AUTHORITY when his present term of office expires on May 31.

LOMBARD NORTH CENTRAL, wholly-owned instalment credit and leasing subsidiary of National Westminster Bank, is making changes in board responsibilities from July 1. Mr R. G. Crotty, currently director of group services and group secretary, has been appointed executive vice chairman of Lombard Australia and will be seconded to that company. He will remain a director of Lombard North Central. Mr R. Palmer, currently director in charge of the southern executive office, will succeed Mr Crotty as director, group services and group secretary. Mr R. J. Young, currently regional director, City and North Thames region, will succeed Mr Palmer as director in charge of the southern executive office. Mr W. Burgess, currently director and general manager of Lombard Tricity Finance, will succeed Mr Young as regional director, City and North Thames region. Mr B. A. Westrop, currently deputy director, credit finance, will succeed Mr Burgess as director and general manager of Lombard Tricity Finance.



## SUBSTANTIAL PROGRESS

The following salient points are from the statement to shareholders by Mr. J. A. Franks, the Chairman:—

Net Group profit at £2,157,094 represents a 38% increase on last year's figure of £1,563,847.

Turnover increased by 27% to £30.0m from £23.6m.

Total dividend 33.75% (last year 25%), an increase of 35%.

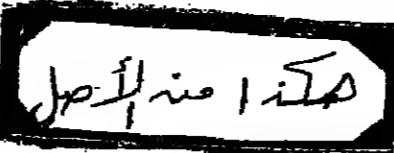
Board is confident that Group's growth record will continue.

Annual General Meeting will be held at 12 noon on June 18 at the London Westbury, London W.1.

## The Northern American Trust PLC

For the six months ended	April 30 1982	May 1 1981
Gross Revenue	1,596	





**CMG TURNOVER 1981-82**  
**£19.3m**

**Services - Other**  
Ahold NV  
Cegos Italia  
Duxberry-Hyde Associates Ltd  
Huggler & Co  
Kemps Contact Lenses Ltd  
Kesar Beheer BV  
Maritz UK Ltd  
S G Ripley & Co (Management Consultants) Ltd  
Storkdata BV  
Strategic Vending Services Ltd  
Westminster Dredging Company Ltd

**Services - Technical**  
Bradbury Wilkinson & Co Ltd  
Gebro Paes BV  
Overseas Technical Services (Harrow) Ltd  
Röntgen Technische Dienst  
Sir Frederick Snow & Partners  
Thomas Howell Selfe Ltd

**Recreation - Music**  
BBC Enterprises Ltd  
Betwin Mills Music Ltd  
Boosey & Hawkes Music Publishers Ltd  
Het Concertgebouw NV  
Trident Recording Studios Ltd

**Recreation - Catering**  
Carlsberg Distributors Ltd  
Creamery Fare Ltd  
Jacques Boré Nederland BV  
Marriott Inflight Services Ltd  
Raines Dairy Products Ltd  
Watney Mann & Truman Brewers Ltd

**Recreation - Travel**  
Europ Assistance Ltd  
Hanson Travel Service Ltd  
Intasun North Ltd  
Scottish Express International  
Wardair UK Ltd

**Recreation - Sport**  
Arsenal Football Club Ltd  
Brighton & Hove Albion Football Club  
Charlton Athletic Football Club  
Fulham Football Club Ltd  
Watford Association Football Club Ltd

**Publishing & Printing**  
Keasing BV  
Riverside Publishing Printers Ltd  
Soc Internationale D'Éditions  
Time Out Ltd  
Verenigde Noordhollandse Dagbladen BV

**Social Securities**  
De Samenwerking  
Gemeenschappelijk Administratiekantoor  
Sociaal Fonds Bouwnijverheid  
Stichting Informatievoorziening  
Ziekenhuizen Groningen en Kennemerland

**Building/Contracting/Construction**  
Antwerpse Bouwwerken Verbeek  
CBI Constructors Ltd  
Ferro Frank Ltd  
French Kier Construction Ltd  
Galliford Construction Ltd  
Glenlion Construction Ltd  
Grayston Plant Ltd  
P J Morris & Sons (England) Ltd  
Palmer's Scaffolding Ltd  
Ryeford Homes Ltd  
Sir M Macdonald & Partners Ltd  
Vogel Spuitbeton BV

**Commodity & General Trading**  
Albert Scheid BV  
Alpha Gest  
E D & F Man (Services) Ltd  
Ets A Marchal SA  
European Grain & Shipping Ltd  
Fitch Lovell Ltd  
Handelmij J & J Vinke BV  
Herman Miller & CIE  
Instal Ltd  
L M Fischel & Co Ltd  
M W Hardy & Co Ltd  
Sime Darby Commodities Ltd  
McConomy & Co Ltd  
Sumitomo Benelux & Europe BV  
Velda

**Advertising & PR**  
BV Reclame - en Adviesbureau HVR  
Grant Forrest & Partners Ltd

**Shipping/Oil Exploration**

**CMG TURNOVER 1980-81**  
**£16.1m**

Toyota (GB) Ltd  
University Motors Ltd  
Van Leeuwen Techniek BV

**Distribution**  
Artic SA  
Atlas Copco Airpower  
Black & Decker  
Bruinsma Selektiebedrijven BV  
Bryterite Ltd  
Coöperatieve Zuivelfabriek Eurolac  
Dana Perfumes Ltd  
Electrical Expert Retailing Ltd  
Esslemont & Macintosh Ltd  
GKN Steelstock Ltd  
Goads (Chandlers) Ltd  
Melkerij Walhorn  
Promodas  
Rowbotham Tankships Ltd

**Transport**  
A Wishart & Sons Ltd  
BV Ertslin  
C J Hammond & Co Ltd  
Forwardair Ltd  
Jawico BV  
Link Line Europa BV  
Livingston International Freight Ltd  
Pracht International BV  
Stolt Nielsen Ship Agencies BV

**Professional and Charitable Associations**  
Association of Accounting Technicians  
British Dental Association  
British Safety Council  
British Veterinary Association  
Chartered Institute of Public Finance & Accountancy  
Chartered Institute of Arbitrators  
Hearing Aid Council  
Institute of Cost and Management Accountants  
Institute of Legal Executives  
Institute of Metal Finishing  
Institution of Production Engineers  
Institution of Water Engineers and Scientists  
Insurance Brokers Registration Council  
Manchester Chamber of Commerce and Industry  
Metals Society  
Modern Language Association  
National Association of Pension Funds  
Royal College of Surgeons of England  
Royal Institution of Chartered Surveyors  
Royal Society for the Prevention of Cruelty to Animals

**Government**  
Gemeentelijk Centrum voor Electronische Informatieverwerking  
Gemeentelijk Rekencentrum Leiden  
Gemeentewerken Rotterdam  
Ministeries

**Services - Accountants**  
Accountantskantoor Wiebenga  
Arthur Andersen & Co  
Bloemendaal-Ruigrok  
Burne Phillips  
Chalmers Imprey & Co  
Cooper Adamson & Co  
Coopers & Lybrand  
French & Cowan  
Louis Nicholas & Co  
Neville Russell & Co  
Peat Marwick Mitchell & Co  
Rowley Pemberton Roberts & Co  
Smallfield Fitzhugh Tillert & Co  
Wesson Goddard

**Services - Property**  
Bernard Thorpe & Partners  
Harry Ditcher & Company  
Immofinancier International  
Kok Group Belgium NV

**CMG TURNOVER 1979-80**  
**£14.3m**

GEC Traction Ltd  
Gevake Electronics Ltd  
Grundig International Ltd  
Hasler (Great Britain) Ltd  
Jermyn Holdings Ltd  
Neff (UK) Ltd  
Pepperl & Fuchs (GB) Ltd  
Philips Telecommunicatie Industrie BV  
Telemecanique Electrique (GB) Ltd

**Manufacturing - Other**  
Accurist Watches Ltd  
Agfa Gevaert NV  
Associated Lead Manufacturers Ltd  
BAT (UK and Export) Ltd  
Britannia Refined Metals Ltd  
Bulova Ltd  
Condor Ironworks Ltd  
Cooper Energy Services (UK) Ltd  
Craftchoice Ltd  
Den Herder BV  
De Volharding BV  
Deutsche Vereinigte Schuhmaschinen GmbH  
Diamond Polishing Industry Coster  
Dowson & Mason Ltd  
Gouda's Glorie  
Hoogovens IJmuiden BV  
Hygrade Meats Ltd  
J & J Maybank Ltd  
J Dring Ltd  
Johnsen & Jorgensen (Plastics) Ltd  
Knitmaster Ltd  
Lilly Deutschland GmbH  
Metrec Metals Recycling BV  
MSE Scientific Instruments  
Nyoplast BV  
Restmor Ltd  
Riddoch of Rothiemay Ltd  
Tate Pipe Lining Processes Ltd  
Verbeek Machinshandel  
Weleda (UK) Ltd

**Manufacturing - Chemical**  
Allied Chemical International SA  
Atlas Chemical Industries (UK) Ltd  
Ciba Geigy (UK) Ltd  
Esso Nederland BV  
Essochem Belgium  
Firestone Nederland BV  
Freeman Chemicals Ltd  
**Computer Manufacturers**  
Burroughs GmbH  
Companie Belge Burroughs SA/NV  
Data General Belgium SA, Europe & France  
Datasaab BV & SA  
Honeywell Bull AG  
Logabax SA  
NCR Ltd & Nederland BV  
Nixdorf Computer BV  
Nixdorf SA  
Philips Data Systems Nederland BV  
Sperry Univac  
Vydec (UK) Ltd

**Motor Trade**  
Alfa Romeo Nederland BV  
Autobedrijf Den Hartog Hellevoetsluis BV  
B & K Motors Ltd  
BMW Nederland BV  
BV Autobedrijf Fennema Grouw  
Fiat Belgio SA

**CMG TURNOVER 1978-79**  
**£11.8m**

Amfas Groep NV  
C T Bowring Underwriting Holdings Ltd  
Commercial Union Assurance Co Ltd  
Ennia NV  
Equity & Law Levensverzekeringen NV  
Gerling Global General & Reinsurance Co Ltd  
Guardian Royal Exchange Assurance Ltd  
Insurance Company of North America (UK) Ltd  
Lloyd's Underwriting Agents  
Monuta Stichting  
National Provident Institution  
NOG/De Jong Verzekering Maatschappij NV  
Verzekeringsmaatschappij VZVZ  
Provincial Insurance Co Ltd  
Prudential Assurance Co Ltd  
Royal Insurance Co Ltd  
Save & Prosper Group Ltd  
School Fees Insurance Agency Ltd  
Swiss Life Insurance and Pension Company

The Orion Insurance Co Ltd  
H S Weavers (Underwriting) Agencies Ltd  
Windsor Life Assurance Co Ltd  
**Financial - Other**  
Alexanders Discount Co Ltd  
Boston Leasing Belgium SA  
Buro Frisia  
Diners Club International  
Peugeot Automobile Credit-Bank  
PSA Credit Belgium  
Rodamco NV  
Sociale Verzekeringbank  
Sussex County Building Society

**Manufacturing - Engineering**  
Aktiebolaget SKF FSO  
Applied Pneumatics Ltd  
Bauteil Engineering Ltd  
Caledonian Tractor & Equipment Co Ltd  
Chambon Ltd  
Dawson & Downie Ltd  
Dicksmith Engineers Ltd  
Doall Europe BV  
Erma Ltd  
James Armstrong & Co Ltd  
Joy Process Equipment Ltd  
Metlex Industries Ltd  
Rochester Instrument Systems Ltd  
Surrey Steel Components Ltd  
Switchgear Maintenance Ltd  
The Monotype Corporation Ltd  
TRW United Carr Ltd  
United Air Coil Ltd  
Wild Heerbrugg (UK) Ltd

**CMG TURNOVER 1977-78**  
**£8.5m**

**Banking**  
ABN Bank  
Allgemeine Deutsche Credit-Anstalt  
American Express Internat Banking Corp  
Amsterdamsche Effecten en Commissiebank NV  
Antony Gibbs & Sons Ltd  
Arab Bank Ltd  
BCI  
Bankers Automated Clearing Services Ltd  
Bankers Trust GmbH  
Bank für Gemeinwirtschaft AG  
Bank Tejarat  
Bank of Baroda  
Banque de Paris et des Pays-Bas  
Banque Nationale de Paris  
BHF-Bank Berliner Handels - und Frankfurter Bank  
Barclays Bank International Ltd  
Credit Industriel et Commercial  
Credit Suisse  
Dominion Securities Ltd  
Federated Trust Corporation Ltd  
F van Lanschot Bankiers NV  
Girard Bank  
Hessische Landesbank Girozentrale AG  
Hollandsche Bank-Unie NV  
International Commercial Bank  
International Energy Bank  
International Westminster Bank  
Lazard Brothers & Co Ltd  
Leopold Joseph & Sons Ltd  
London Interstate Bank  
Manufacturers Hanover Trust Company  
Morgan Guaranty Trust Company of New York  
National Bank  
National Bank  
National West  
Nederlandse  
NV Bank voor Gemeenten  
NV Slavenbank  
Privatbanken  
Rabobank N  
Schneider & Schröder M  
Bank  
Scottish Trust  
Computer C  
SWIFT-Pool

**IT'S NOT JUST OTHER PEOPLE'S COMPANIES WE'VE HELPED MAKE SUCCESSFUL.**

The list of companies we advise on computer services grows all the time. As does our turnover.

1981/82 has seen a growth of almost 20%. And our assets now exceed £1 million.

But this year CMG has seen much more than just a growth in turnover.

We've successfully launched Microfact. A unique micro computer system which not only has excellent accounting, financial planning, payroll and word processing facilities but also links into our

computer centres for extra capacity.

And we've increased our number of subsidiary companies to seventeen. With the acquisition of Incomputer in Guildford and the formation of CMG Advies BV, our sixth company in The Netherlands.

But perhaps what we're most proud of is our growth in staff involvement.

Because following the employee buy-out of £1.1 million in shares from a retiring director, all the shares in the group are now owned by 480

working directors, managers and staff.

And our future looks even brighter. Because a recent major survey on software shows an increasing demand for package solutions and complete project staff throughout Europe.

And it doesn't require a computer to tell you that no one's better equipped to handle that demand than CMG. For information write to: CMG Ltd, Lennig House, Masons Avenue, Croydon CR0 1EH. Tel: 01-688 2261.



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INTERNATIONAL COMPANIES and FINANCE

A major U.S. car maker is looking East. Richard Lambert reports

General Motors changes gear

GENERAL MOTORS' decision to import small cars from its Japanese affiliate, Isuzu Motors, forms part of an important strategic shift which is currently under way at the world's largest motor manufacturer.

200,000 of the cars, and Isuzu will market the rest. The group is also holding talks with Suzuki Motor, in which it holds a 5 per cent stake, about the scope for importing a new "mini" model, much smaller than anything currently built by GM.

Operating losses of \$750 or so it still incurs on each Chevrolet it sells and instead realises a profit from the joint venture.

lengthy—and ultimately unsuccessful—talks with Toyota about the possibility of a joint venture. Its Japanese links are limited at present to a 25 per cent shareholding in Toyo Kogyo, from which it has been importing Courier light pickup trucks for the past ten years.

UAL to cancel or delay Boeings

By Richard Lambert in New York UNITED AIRLINES, the largest U.S. domestic carrier, has asked Boeing to cancel or substantially delay delivery of 20 Boeing 767 aircraft, worth about \$600m.

McDermott earnings at record \$213.4m

BY OUR NEW YORK STAFF MCDERMOTT, the large New Orleans-based energy services company, yesterday reported a steep rise in profits for the final quarter, ending a year which has seen a marked upturn.

Net income was \$52.3m or \$1.22 a share, almost double the \$28.3m or 56 cents a share earned in the same period of 1981.

Operating income slips at Litton

By Our Financial Staff OPERATING INCOME has fallen in the third quarter of this year at Litton Industries, the defence, shipbuilding and manufacturing company.

First quarter profits rise at International Thomson

BY OUR FINANCIAL STAFF EARNINGS at International Thomson Organisation (ITO) moved up in the first quarter of this year, helped by the contribution from Thomson North Sea which benefited from continuing strength of the U.S. dollar against sterling.

ing on high quality, specialised and carefully selected areas of publishing. On the travel side, the UK operation, Thomson Travel, is on budget, but the package tour market is expected to fall this year from the peak levels of 1981.

AN ACTIVE search for an acquisition is underway at General Host, the Stamford-based manufacturer of specialty foods and salt and milk products.

after allowing for conversion of debenture stock, and has \$53m in revolving bank credits available. General Host remains confident of achieving its 20 per cent earnings growth target over the next three years.

Caterpillar Tractor to freeze pay

BY OUR FINANCIAL STAFF U.S. MANAGERS of Caterpillar Tractor, numbering about 22,750, together with weekly-paid employees and others working abroad are to have their salaries frozen indefinitely, starting June 1.

CS63m Eurobond issue for Austrian export bank

BY OUR EUROMARKETS STAFF AUSTRIA'S EXPORT credit bank, Osterreichische Kontrollbank, is seeking to raise CS63m on the Eurobond market through a six-year bond issue priced at par and carrying a 16 1/2 per cent coupon.

four this week. In the Swiss franc foreign bond sector Japan Development Bank came to the market with a SwFr 100m 12-year issue through Swiss Bank Corporation with an indicated yield of 6 per cent.

Goldman Sachs to buy London banking unit

By Paul Taylor GOLDMAN SACHS, the U.S. investment bank, has tentatively agreed to acquire First Data Bank, a London-based merchant banking subsidiary of First National Bank in Dallas for an undisclosed sum.

These Notes having been sold, this announcement appears as a matter of record only.

U.S. \$100,000,000 Banque de l'Indochine et de Suez (Indosuez)

15% Notes Due 1989

Table listing various international banks and their branches, including Al-Mal International Ltd, Amro International, Arab Banking Corporation (ABC), and others.

Toys 'R' Us moves ahead

By Our Financial Staff EARNINGS have quadrupled in the opening quarter at Toys 'R' Us, the major specialty toy retailer in the U.S.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of bond prices which will be published next on Wednesday June 16.

Table of international bond issues with columns for U.S. Dollar, Issued, Bid, Offer, and Yield. Includes sections for U.S. QUARTERLIES, GELCO CORP., SWISS FRANCS, and STRAIGHTS.

# Volvo to float investment offshoot

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

VOLVO, the Swedish motor, engineering and trading group, yesterday reported first quarter earnings of SKr 516m (\$90.5m) and a 23 per cent rise in sales to SKr 14.9bn (\$2.6bn).

At the same time it announced the formation of a new investment company to hold the shares portfolio of just over SKr 1bn acquired when the Beijerinvest group was bought last year. This company will be introduced on the Stockholm stock exchange at the beginning of 1983 and its shares will be offered for sale to Volvo's shareholders.

Volvo earned SKr 280m pre-tax in the first three months of 1982 but its figures did not then include the Beijerinvest group. In the last quarter of 1981 group earnings, including Beijerinvest, were SKr 435m.

First quarter earnings this year were struck after currency losses of SKr 54m, of which the majority were unrealised. The adjusted return per share for the quarter comes out at SKr 8.50, which is comparable with the SKr 6.70 achieved in the corresponding period in 1981.

The car operation continues to perform well on a weak world

market. Car sales rose by 33 per cent compared with the first quarter of 1981 to just over SKr 4bn. About 76,000 cars were delivered, the biggest advances being recorded in the U.S., Britain and Italy. Output of cars is to be stepped up this year.

Sales of heavy vehicles climbed by 34 per cent to SKr 2.9bn, truck sales moving ahead by 49 per cent to SKr 2bn. But the market remains depressed in Western Europe and North and South America and the order book for trucks was lower than a year earlier. Truck earnings during

the first quarter were nevertheless higher.

STC, a former Beijerinvest company, will remain within the Volvo group, as will the Beijerinvest industrial and foodstuffs concerns, when the new investment company is formed.

Volvo had intended to form an investment company as the controlling organ for the expanded group. This has proved to be impracticable, as an investment company would not qualify for the tax credits on new share issues which Volvo can claim if it remains an operating concern.

## Higher first quarter for Ennia

By Walter Ellis in Amsterdam

ENNIA, the third-largest Dutch insurance group, lifted after-tax profits by 5.5 per cent in the first quarter of this year to Fl 21.4m (\$8.5m). This was after the transfer to the emergency contingency fund of Fl 2.5m—the same amount as in the first three months of 1981.

Gross receipts increased by 22 per cent to Fl 1,005bn, although if allowance is made for the effect of the purchase at the end of last year of National Old Line, the rise was 11 per cent.

Profit per ordinary share rose by 1 per cent to Fl 6.27, compared with Fl 6.21. Shareholders' funds per ordinary share amounted to Fl 219.56, against Fl 213.77.

Long-term private loans were Fl 10m. Gross receipts from life assurance rose by 25 per cent and pre-tax profit in the sector went up from Fl 22.5m to Fl 29.9m.

General insurance gross receipts rose by 21 per cent, but pre-tax profit here was down from Fl 7.5m to Fl 1.8m, because of reduced rates and higher claims costs in the motor insurance sector.

The board continues to believe that profit for 1982 as a whole will exceed that for 1981, if only slightly. The number of ordinary shares will show a further increase this year, says the board. It does not, therefore, feel able to predict the development of profit per share.

# Thomson-Brandt sale to Philips

BY TERRY DODSWORTH IN PARIS

IN THE first major divestment by one of France's newly-nationalised industrial companies, Thomson-Brandt has agreed to sell its majority stake in Compagnie des Lampes, its quoted lighting affiliate, to Philips of Holland.

No figure has been revealed yet for the deal, which has not been opposed by the French authorities. But on the basis of Compagnie des Lampes' last share price of FFr 174, the market value of the group stands at about FFr 120m (\$20m).

Thomson, France's leading electronics and consumer electrical company, holds about 65

per cent of Compagnie des Lampes, while CGE, France's other recently nationalised electrical giant, has 12 per cent. The rest of the equity is believed to be widely distributed.

In a joint statement with Philips, Thomson said that the objective of the deal will be to create a stronger company in France with a "European dimension". New investments are envisaged to improve the company's competitiveness, while reinforcing its presence on export markets.

The two companies were convinced that the agreement was the best guarantee for the

future of the lighting group and of its labour force.

The deal leaves France without a large, French-owned lighting company following the similar acquisition of Claude by GTE Sylvania of the U.S. three years ago.

Thomson, however, was faced with heavy investments in Compagnie des Lampes, which slid into losses of about FFr 40m last year, with Thomson itself now experiencing financial problems—losses for 1981 are expected to amount to about FFr 180m—the new management has decided to concentrate its investments on priority areas.

# Svenska Finans in leasing deal

BY OUR NORDIC EDITOR IN STOCKHOLM

SVENSKA FINANS, Sweden's largest finance company, is paying \$15m cash for Commercial Funding, a leading U.S. specialist in capital equipment leasing. The acquisition is subject to the approval of the U.S. Federal Reserve Board.

Svenska Finans, which is owned by Svenska Handelsbanken, is buying the U.S. company in partnership with Nordic American Banking Corporation (NABC) of New York, Copenhagen Handelsbank, Kansallis Finance of Helsinki and Factoring Finans of Oslo.

NABC is owned in equal 25 per cent shares by Copenhagen

Handelsbank, Kansallis Osake Pankki of Finland, Den norske Creditbank of Norway and Svenska Handelsbanken, whose combined assets exceed \$35bn.

Mr John Nelson, NABC president, said here yesterday that the acquisition of Commercial Funding represented a big step towards his bank's goal of providing Nordic companies with the broadest possible range of wholesale banking services in the U.S.

Commercial Funding had a leasing volume of \$120m last year. It is owned by Mr Alan Fisher, its chief executive, and a partner, Mr Fisher will continue

as chief executive and Commercial Funding will remain an independent company.

Equipment leasing provided a quarter of the \$35m financing for new equipment in the U.S. last year, said Mr Fisher. This compares with 11 per cent in the UK and between 5 and 6 per cent in Sweden.

The target business for Commercial Funding would be the \$1.7bn of capital goods the Nordic companies exported to the U.S. last year, Mr Fisher said. In addition there was \$545m in direct Nordic investments in the U.S.

# German engineer boosts turnover

By James Buchan in Düsseldorf

MANNESMANN, the West German steel pipe and mechanical engineering group, is still forging ahead this year with external sales in the first quarter of DM 3.48bn (\$1.47bn), an increase of 22 per cent over the first three months of 1981.

Although the sales buoyancy is largely attributable to the continuing demand for steel pipes in the energy sector, all divisions contributed to the improved first quarter performance. Herr Egon Overbeck, chief executive of the group, said:

Domestic operations increased sales by 22 per cent, foreign companies by 13 per cent, with the share devoted to exports rising from 55 to 61 per cent.

A 1.2m tonnes order from the Soviet Union for large-diameter pipes, presumably for the controversial Urengoy gas pipeline, will run through this year and next and has increased Mannesmann's dependence on this market to 62 per cent of exports. Elsewhere demand for oil country pipes has fallen in the face of diminished drilling activity but orders booked for seamless pipe overall in the first quarter account for almost half of Mannesmann's planned production for the year.

Pipe production increased to almost 3m tonnes in the first quarter while crude steel output rose by 13 per cent.

There were also increased orders at Mannesmann's Brazilian subsidiary and at Yarnand and Braum, the manufacturer of electrical measuring equipment consolidated for the first time in 1981. Even Kienzle Apparate, the data processing concern which Mannesmann acquired at the end of February, is expected to profit by 1984 after losses of around DM 30m last year.

Herr Overbeck announced that the group planned investment of around DM 750m a year between now and 1985, particularly in the mechanical engineering and industrial plant divisions, after fixed investments of DM 668m in 1981. The board is proposing this year to raise DM 310m through a rights issue.

In 1981 the group recorded net earnings of DM 272m, 49.5 per cent higher than in 1980, on external sales of DM 154bn, 18 per cent higher than in the previous year. The dividend was lifted from DM 8.5 to DM 6.

# BMW starts engine production at Steyr

BY KEVIN DONE IN FRANKFURT

BMW, the West German maker of high performance cars and motorcycles, has started engine production at its new DM 500m plant at Steyr, Austria.

The project is an important step towards diversification of BMW, which is aiming to sell up to 60 per cent of the Steyr engine output to third-party customers.

Output of six-cylinder petrol engines began last week at the Austrian plant and will be followed early next year with the start of diesel engine production. Petrol engine output in Austria will help ease the existing production bottleneck at BMW's existing engine works in Munich.

The principal outside engine contract booked to date is for the supply of up to 190,000 six-cylinder, 2.4-litre turbo-charged diesel engines to Ford in the U.S. starting next year. BMW is the biggest manufacturer of six-cylinder engines in Western Europe.

The Steyr plant is expected to cost a total of about DM 750m (\$326m) by the time the second stage is completed in 1986. Initial capacity will be for about

100,000 engines a year, but this will rise to about 200,000 by the mid-1980s. About 15 per cent of the capital investment costs are being met by Austrian state subsidies.

The Steyr project was originally launched as a joint venture with Steyr-Daimler-Puch of Austria in 1978.

BMW took full control of the project in February this year, however, when it became clear that the ambitious direct injection diesel engine to have been developed by Steyr-Daimler-Puch had fallen far behind its original production schedule.

BMW itself is to introduce diesel engines into its model range for the first time next year, starting with its 5 series.

Deutsche Texaco will probably incur a loss in 1982 following losses in the first four months, according to Herr Armin Sebram, management board chairman. He said losses in the oil sector averaged DM 50 per tonne of crude oil during the first four months and these could not be balanced by earnings in the company's other operations.

# N. America outlook casts cloud over KHD

By Our Bonn Staff

KLOECKNER-Humboldt-Deutz, the West German engineering concern, got off to a good start in the first four months of 1982.

Herr Bodo Liebe, chief executive of the diesel engine, process plant and agricultural machinery group, does not expect this good performance to be matched for the rest of the year.

The group is particularly concerned about the deteriorating market for engines and farm machinery in North America, which absorbed 13 per cent of the group's DM 4.9bn (\$2.12bn) in external sales last year, and by the squeeze on income in Opec, which swelled last year's order book with two major cement plant orders from Iraq and Saudi Arabia.

Last year, the group recorded net earnings of DM 37.1m, unchanged from 1980 but on 4.3 per cent higher sales. It will propose an unaltered dividend of DM 7 per DM 50 share.

## Austerity plan for Cockerill

By Our Financial Staff

COCKERILL-SAMBRE, the Belgian steel company, has drawn up a comprehensive austerity plan aimed at making it profitable again by 1985. It plans to reduce the workforce by 3,900 from 25,000, hold down wage costs and cut production capacity to 6.1m metric tons from the present 8.5m.

The government-controlled company—the product of a merger in mid-1981 between Cockerill of Liege and Hainaut-Sambre of Charleroi—lost BFf 17.7bn (\$405m) last year, up from BFf 12.3bn in 1980.

It had first quarter losses this year of BFf 3.5bn, but is seeking to hold the total deficit for the year at BFf 5.5bn.

## Swedish bank lifts profit

BY OUR NORDIC EDITOR IN STOCKHOLM

SKANDINAVISKA ENSKILDA, the major Swedish bank, more than doubled consolidated results in the first four months, turning in an operating profit of SKr 600m (\$104m) against SKr 295m for the corresponding period last year.

The comparison, however, does not accurately reflect the company's performance as bank earnings were particularly weak in the first four months of 1981, contributing only one-fifth of total 1981 profits.

Against the preceding four months, the bank's operating profit slipped by SKr 50m, but the management considers that it is in line with its profit forecasts for 1982. These assume

that "clearly higher" results will be achieved by both the group and the bank than the SKr 1.44bn and SKr 1.13bn they turned in respectively last year.

All the figures have been adjusted to conform with the new accounting principles introduced by the Swedish banking inspectorate this year. They call for losses incurred on the sale of bonds to be written off at the rate of a third a year over a rolling three-year period from the beginning of 1980.

The bank's income declined by SKr 30m to SKr 1,080m for the four months, compared with the last four months of 1981, owing to both a lower return on commissions and diminished net interest.

## Italian insurer raises earnings

By Rupert Cornwell in Rome

ASSICURAZIONI Generali, the biggest Italian insurance group and the leading blue chip share on the Milan bourse, yesterday reported a net profit of L49,800 (\$36m) for 1981, compared with L38bn.

The group, whose premium income last year reached L4,000bn, plans to pay shareholders a higher dividend of L1.100 compared with L950.

Generali also plans a free distribution of shares in its Alleanza insurance subsidiary, on the basis of one for every 50. Generali shares currently held in its own capital will be lifted to L12.2bn from L1.0bn via a one-for-four free issue.

## Enka reduces net deficit

By Our Financial Staff

ENKA, THE West German fibres arm of the Dutch chemical group Akzo, reports reduced losses for 1981.

On sales up modestly from DM 3.6bn to DM 4.1bn, net losses last year were lowered to DM 20m (\$8.6m), against DM 314m in 1980. The parent company cut its deficit to DM 2.7bn from DM 32.2m.

Enka said there are more signs which point to a deterioration in 1982 earnings in the European chemical fibre industry than point to an improvement. A general economic recovery cannot be expected before mid-1982 and European sales of textile chemical fibres are likely to fall this year.

The extent to which this fall in sales will hit earnings depends largely on how sharply West European producers reduce excess capacity in 1982, the company said.

## Losses decline at SSIH

By John Wicks in Bienna

LOSSES were sustained last year by SSIH, the Swiss watch group. A further deficit is expected for 1982.


Operational losses amounted to SwFr 82m (\$42m) for 1981, compared with SwFr 166.6m. Net losses, which had been SwFr 161.6m in 1980, were reduced to SwFr 38.4m but only after transfers of SwFr 41.2m from special provisions and assets sales worth a net SwFr 2.4m.

A further substantial operational loss, was unavoidable this year, and would probably equal the SwFr 28m remaining in the special provisions fund, said the company.

Turnover dropped by 10.3 per cent to SwFr 550.7m despite a 3.5 per cent increase, to more than 1.95m units, in the sale of watches and watch movements. The decline in sales figure was largely a result of currency strength.

The company said a merger with Assag, Switzerland's leading watch concern, was not a subject for discussion at present. However, there were numerous ways in which existing co-operation between the two groups could be expanded. These might include new links in marketing and technical services.

This advertisement appears as a matter of record only.



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May, 1982

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In accordance with the terms and conditions of the Notes and the provisions of the Reference Agency Agreement between The Industrial Bank of Japan Finance Company N.V., The Industrial Bank of Japan Limited and Citibank, N.A., dated May 17, 1981, notice is hereby given that the Rate of Interest has been fixed at 14 1/2% p.a. and that the interest payable on the relevant Interest Payment Date November 29, 1982, against Coupon No. 3 will be U.S.\$379.43.

May 27, 1982

By: Citibank, N.A., London, Reference Agent

Weekly net asset value



## Tokyo Pacific Holdings (Seaboard) N.V.


on May 24th 1982, \$U.S.61.03

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heiding & Pierson N.V.,  
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VONTobel EUROBOnd INDICES					
145.74=100%					
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DM Bonds	96.81	69.23	DM Bonds	9.397	6.32%
HFL Bonds & Notes	99.24	69.81	HFL Bonds & Notes	9.395	6.38%
U.S. 6 Mth. Bonds	90.69	60.70	U.S. 6 Mth. Bonds	13.850	13.887%
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March 1982

Companies and Markets **INTERNATIONAL COMPANIES and FINANCE**

# OEM exports boost Fujitsu results

BY YOKO SHIBATA IN TOKYO

FUJITSU, Japan's largest computer maker, as well as a major manufacturer of telecommunication and other information equipment, has reported strong growth in unconsolidated earnings for the fiscal year ended March 31, thanks to brisk sales of highly profitable large-sized computers centring on supplies for OEM (original equipment manufacturing) to overseas manufacturers.

Pre-tax profits advanced by 54.4 per cent to a record ¥50.05bn (\$311m). After provisions of ¥2.4bn for internal reserves and ¥2.5bn of expenses for new share issues, net profits totalled ¥22.89bn, up by 24.1 per cent from the previous year. Sales were a record ¥671.1bn (\$2.83bn), 15.4

per cent higher, and profits per share increased to ¥23.15, from ¥20.70. The company is paying an unchanged dividend of ¥3.5 a share.

Sales of data-processing units including computers rose by 17.4 per cent to account for 56.3 per cent of the total, helped by strong sales of general computers and Japanese language word processors. Telecommunication equipment sales were sluggish, rising by only 3.2 per cent to account for 18.8 per cent of the total.

The fastest sales growth was shown in the electronics components division, with an increase of 24.6 per cent to account for 14.4 per cent of the total.

The value of exports advanced

by 37 per cent to account for 18.7 per cent of all sales, thanks to a sharp increase in OEM supplies of computers to America of the U.S. and Siemens of West Germany. Last year the company signed a long-term contract with ICL of UK to supply computers and semi-conductors on an OEM basis. OEM supplies to ICL are expected to be reflected in the current year's turnover. Export orders last year jumped by 84.2 per cent from 1980-81 and total orders reached ¥748.11bn in the year, up by 21.8 per cent.

Fujitsu has forecast a continued expansion of sales of its major products, such as computers and semiconductors, in the current year helped by OEM supplies.

Operating profits are expected to reach ¥58bn, up by 15 per cent, net profits ¥36bn, up by 27 per cent, and sales ¥810bn, up by 21 per cent.

Capital investment for the current year is envisaged at ¥79bn, compared with ¥81.4bn in 1981-82. Of the total, about 40 per cent is designated for the computer division, for such things as the expansion of production capacity for office automation equipment, and 45 per cent is planned for the electronics component division, to include the full-scale commercial production of 64 K bit dynamic RAMs.

Research and development expenditure by the company is equivalent to 10 per cent of sales.

# Earnings advance at Fujitsu Fanuc

By Our Tokyo Staff

FUJITSU FANUC, Japan's largest manufacturer of numerically controlled (NC) equipment with a 75 per cent share of the domestic market and 50 per cent of the world market, has reported a sound gain in earnings for the year to March.

The company, which is 45.8 per cent owned by Fujitsu, the computer and electronics company, reported an 18.5 per cent rise in unconsolidated pre-tax profits to ¥32.1bn (\$135m). Net profits were 16.4 per cent higher at ¥15.68bn, and sales were ¥32.34bn (\$390m), up by 12.4 per cent. Profits per share advanced to ¥361.82, from ¥269.15 in the previous year.

Sales of NC systems increased by 11.6 per cent to account for 84.9 per cent of the total. Sales of small NC milling and small machining centres were affected by the economic slowdown in the U.S. and Europe, but their sluggishness was offset by buoyant sales of NC robots. As a result, sales by the NC machine tool and robots division increased by 18.4 per cent to account for 13 per cent of the total.

Exports were little changed in value and accounted for 41.6 per cent of turnover. In order to enhance robot sales in overseas markets, the company has reached an agreement with General Motors for a joint venture robot manufacturing company in the U.S. to start operating from June and has concluded a licensing agreement with the GEC Group of the UK, similar to an agreement reached with Siemens of West Germany.

Fujitsu Fanuc's production of robots is to be raised to 240 units monthly in the current year from last year's level of 50 units monthly, thanks partly to the tie-up with General Motors, but with continued sluggishness in the U.S. and European machine tool markets, the company's sales are expected to stay at the 1981-82 level. Pre-tax profits are forecast at ¥32.47bn, up by 2 per cent and net profits at ¥15.78bn, up by 0.6 per cent.

This advertisement appears as a matter of record only New Issue April 13, 1982

U.S. \$ 70,000,000

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May 4, 1982

# Sappi plans to raise R150m in rights issue

SAPPI, the South African paper and packaging group, is to raise R150m (\$140m) in a rights issue to assist in the financing of a R800m expansion of its pulp and paper plant, Mr Basil Landau, the chairman, told the annual general meeting.

He said terms and timing have still to be worked out, but it will probably take the form of a fixed rate convertible security.

The additional financing is necessary to maintain the company's debt-equity ratio at one-to-one, he added.

Progress on the expansion has been good and some items of the plant are expected to be commissioned towards the end of 1982, with the first paper machine due to commence production in the second quarter of next year.

The deteriorating economic situation has led to a significant reduction in inventories by customers and as a result, both sales and profits are currently below expectations.

But there are indications that demand has begun to improve and profits for the first six months of this year are expected to be slightly up on the year-ago period when its operating profits were R37.1m, up 44 per cent from a year earlier.

Full year operating profits in 1981 were R50m, up 36 per cent on turnover 16 per cent higher at R403m.

Reuter

# Euronote facility for Cheung Kong

By Robert Cottrell

CHEUNG KONG, the Hong Kong property group controlled by Mr Li Ka-Shing, yesterday signed a U.S.\$200m short-term Euronote borrowing facility to be used for general group finance purposes.

The revolving facility allows Cheung Kong to issue secured notes of U.S.\$250,000 denomination with three- or six-month maturity, priced at a quarter of one per cent over Singapore's inter-bank rate, up to a ceiling of U.S.\$200m, at any time over the next five years.

The syndicate of seven managing banks is led by the Citicorp and Hong Kong and Shanghai Banking Corporation. The deal is said to be the first short-term Euronote corporate borrowing in Asia.

Mr Li said yesterday that he plans to draw down U.S.\$100m of the facility initially, though with no specific plans for its usage.

# First-half rise at Orient Leasing

By Our Tokyo Staff

ORIENT LEASING, Japan's largest leasing company, lifted unconsolidated pre-tax profits by 37.3 per cent to ¥3bn (\$12.6m) in the half year ended March 31 1982, thanks to three international aircraft leasing contracts and an increase in general leasing contracts.

Revenues advanced by 23 per cent to ¥37.83bn (\$370m) and net profits were ¥1.118bn, up by 13.5 per cent. Profits per

share rose to ¥26.75 from ¥23.68.

New leasing contracts advanced by 70 per cent to ¥224bn in the period, helped largely by installment sales which were 2.3 times bigger at ¥162bn thanks to yen-based international aircraft leasing contracts. New contracts in the general leasing division rose by 24 per cent to account for ¥122bn of the total.

Higher interest costs and

exchange losses of ¥870m from the yen's depreciation against the U.S. dollar, were more than offset by the effects from increased revenue.

Interest costs are expected to rise further in the second half and full year pre-tax profits are expected of ¥4.45bn, up by 16.3 per cent from the previous year. Net profits are projected at ¥2.3bn, up by 11.4 per cent, and revenues at ¥190bn, up by 21.3 per cent.

# Honda in Malaysian venture

By Our Financial Staff

HONDA MOTOR of Japan has agreed with the state-controlled Heavy Industry Corporation of Malaysia (Hicom) to start production of motorcycle engines in a 50/50 joint venture.

Honda will provide up to ¥10bn (\$42m) for the projected joint undertaking, which will produce about 10,000 two- and four-stroke engines a month from 1984.

Hicom has also announced that it will start production of two-stroke engines with Yamaha Motor, another Japanese motorcycle manufacturer.

In an effort to achieve local production of motorcycle engines, Malaysia plans to

manufacture 240,000 units of 30 cc engines a year jointly with Japanese makers.

Japanese companies making motorcycles in Malaysia will be obliged to purchase engines from the joint ventures.

Heavy financing charges, arising from a high level of stocks, have dragged earnings of United Engineers Malaysia, the construction and heavy equipment group, into the red, Wong Sulung writes from Kuala Lumpur.

For the year ended December 1981, UE Malaysia reported an operating profit of 6m ringgit (US\$2.6m). But after financing charges of 11.3m ringgit and a loss of 1.4m ringgit on

foreign currency transactions, the company had an after-tax loss of 7.5m ringgit, compared with a 2m ringgit profit previously.

The company described the results as "most disappointing" and added "the single most significant factor" was the financing of high stocks.

Many of its clients had expected a revival in the lagging industry and had placed orders for heavy equipment. But the timber revival did not materialise, and clients did not confirm their orders, said the company.

UE Malaysia will not pay a dividend for the year. Last year's payment was 10 per cent

# SHARE INDEX RISES 26% IN 11 WEEKS

# Hong Kong alive with the sound of rumours

By Robert Cottrell in Hong Kong

"OVERBOUGHT" and "oversold" indicators hardly seem adequate for sensing which way the wind blows on the Hong Kong stock markets. The only fundamentals which really excite the market are whether shares are going to go up or down—and on this point the "overbought" and "undersold" indicators must also be taken into account.

By close of play on Tuesday, a good day in itself with the Hang Seng index up 29.36 points, it was possible to collect no less than 10 distinct rumours from the unusually active rumour mill. One has a racing chance of being true and nine shade into varying degrees of invention.

Come yesterday morning, and in a half-day's trading, the market broke the 1,400 barrier to close at a three-month high of 1,413.47 after a 30.15-point rise.

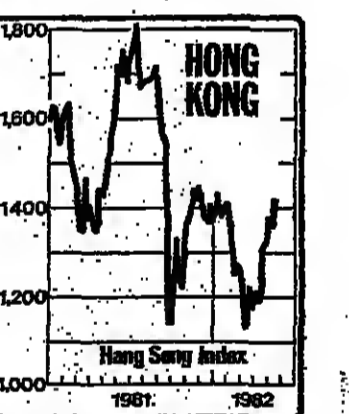
The market has risen 26 per cent since the low for the year on March 8.

Buying, as they say, centred mostly on blue chips, and the HK\$ 320m (US\$ 57m) trading volume would have been a very decent result for a full-day turnover. The market had, of course, woken up that morning to the news of Citibank's lowering of its prime rate, providing a bedrock of optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China resources, and including quoted companies, Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing

to put a price of around HK\$ 2bn (US\$ 350m) on the buy-back. Mr Li Ka-Shing, Cheung Kong's chairman—back from a weekend in Peking—was in a no-comment mood yesterday, but the Government says the matter is under discussion.

Apart from the prospect of such a cash injection into the recently weak property sector, the market still had time to toy with long-standing favourites among the utility stocks. Hongkong Land's purchase of a one-third stake in Hong Kong Electric Holdings last month and Hong Kong Telephone in December has highlighted the solid earnings attractions of such stocks. But more Machiavellian theories are abroad varying from a predator stalking the other major utility, China Light and Power, in a parcelling-up operation of key utility stakes related in



some obscure way to Hong Kong's political future. But back to fundamentals. The domestic economic outlook is relatively dull, the interest rate outlook relatively bright. Another 50 points higher? Well, maybe.

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The Debentures have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the global interim debenture. Interest is payable annually on June 15, the first payment being made on June 15, 1983. Particulars of the Region and the Debentures are available in the Extel Statistical Service and copies may be obtained during usual business hours up to and including June 10, 1982 from:

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Agent PKB Investments Limited

April 1982



Companies and Markets **INTL. COMPANIES & FINANCE**

The Moeller group, North Sea oil interests apart, operates one of the world's largest privately-owned fleets—over 100 vessels totalling about 6m dwt—under the Maersk flag. It includes tankers, oil rigs, supply and other specialised vessels and

one of the world's most modern fleets of containerised vessels. Moeller also owns the Odense shipyard in Denmark, has extensive investments in Danish manufacturing industry, and interests in air transport and retailing. Main shipping operations

are managed by a partnership, owned in equal parts by twin parent companies: Dampskibsselskabet af 1912 and Dampskibsselskabet Svendborg. This set-up means that for accounting purposes, the concern is not defined as a group.

The partnership made a profit after depreciation of Dkr 625m (\$90m) in 1981, against Dkr 600m in 1980, while the dividend in the two parent companies was increased from 18 to 20 per cent.

# Troubled water on Danish oil

BY HILARY BARNES IN COPENHAGEN

THE A. P. MOELLER group, Denmark's only concern with experience in the exploration and development of offshore oil and gas fields, has come into conflict with the Danish Government over what it sees as a Government attempt to squeeze it out of the Danish offshore sector, so leaving the field exclusively to foreign companies and the state-owned oil and gas company, Dansk Olie og Naturgas (DONG).

The dispute was highlighted this month by Mr Maersk McKimney Moeller, the third-generation head of the group, at the annual shareholders' meeting of Dampskibsselskabet af 1912, one of the twin parent companies of Moeller's shipping interests.

Moeller is operator in the North Sea for the Danish Underground Consortium (DUC) in which the other partners are Shell, Chevron and Texaco. All have 25 per cent stakes in the consortium, with Moeller holding the licence.

"Regrettably, we are meeting a lot of opposition from the Government and the Energy Ministry," says Mr Moeller, whose group—measured by equity capital of Dkr 5.4bn (\$800m)—is by far the biggest private enterprise in Denmark. "It seems that they are deliberately making things difficult for us and trying by all possible means to press us, as Danes, out of this field of operations."

Moeller was given an exclusive 50-year hydrocarbons concession to the entire Danish onshore and offshore area in 1982, at a time when interest in the North Sea was relatively slight, and when, if Moeller had not taken on the concession, a German concern would have taken it up, for want of other bidders.

By the end of the 1960s, the terms of the concession were under attack from the Left as being too favourable to the company. The attack gained momentum with the first oil shock, when it began to be argued that not only would DUC's profits be too large, but that its exploration programme was desultory.

Finally, in the spring of last

year, the Government forced Moeller into giving up—by 1986—all but 1 per cent of the area to which it originally held the licence. Half the area was relinquished from January 1 this year. The 1 per cent which Moeller will retain consists, at the same time, of nine interconnected blocks in the south-west corner of the Danish area, where most of the finds so far are located.

But it has so far been frus-

trated by a poor relationship between Mr Moeller, 69, and Mr Poul Nielson, 39, the Energy Minister, between whom there appears to be a total lack of rapport.

The oil dispute comes on top of recent acrimony between the Government and Moeller involving Moeller last year transferring four oil drilling rigs to foreign flags, following a Government reform of offshore safety legislation. The new law empowered the Government in certain circumstances to apply Danish safety regulations to

programme is to be sorted out by an arbitration tribunal and it is being predicted that it will take about a year for the tribunal to report.

It looks as though the relinquishment programme will also end up going to arbitration and until this dispute is settled the Government cannot offer licences to other companies.

The government's new hydrocarbons tax, which reached the statute book three weeks ago, has also irritated Moeller, which has said by way of its annual report, that the tax adds insult

to the injury of forced relinquishment. The tax will make oil companies pay from 45 per cent to 83 per cent tax on profits from oil and gas fields, varying with the size of the fields.

The tax, broadly, is probably a little less tough than the Norwegian and UK taxes, but Moeller and its partners in the Danish Underground Consortium claim to be particularly badly placed.

They have invested heavily over a long period of years on the basis of previous tax regulations.

The tax, expected by the Government to yield about Dkr 1bn in 1983, will also mean Moeller points out, that DUC begins paying tax long before it has covered its outlays. DUC's investment in the North Sea to date totals Dkr 11.5bn (\$1.5bn), and its revenues Dkr 4.1bn. Moeller estimates that revenues will not begin to exceed outlays until the end of the decade at the earliest.

Moeller's North Sea oil operations were transferred at end-March last year from a subsidiary joint stock company to a partnership. There have been suggestions that this was for tax reasons, but Moeller has not explained the change. This partnership made a Kr 35m loss in 1981, with the company which it superseded at the end of the first quarter having made a first quarter loss of Kr 45m.

The key question now is how the quarrelling with Moeller will affect the attitude of other companies. Mr Nielson is proud of the fact that, despite criticism of the Government's oil policy, 58 foreign companies have expressed an interest in going into areas relinquished by Moeller.

## At odds—the businessman and the Energy Minister



Mr Maersk McKimney Moeller (left) and Mr Poul Nielson

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The finds made in the Danish sector so far have all been modest. DUC is producing 300,000 tonnes a year from the Danfield. The Gorm Field, which will begin production at full capacity only from the middle of this year, will produce about 1m tonnes in 1982 and probably about 1.5m tonnes next year.

From 1984, DUC is due to start delivery of 2.5bn cubic metres of gas a year from other fields to DONG for distribution to Danish industry and households.

Handwritten note: 20/5/82

New Issue

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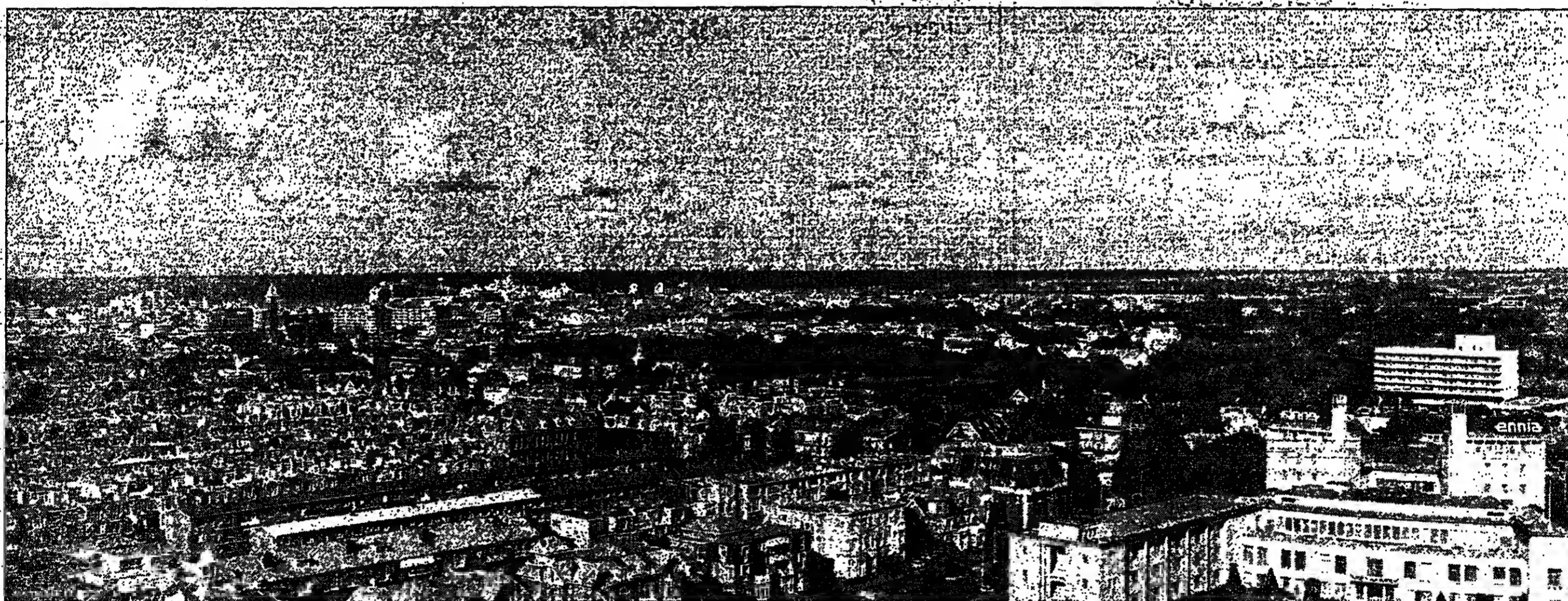
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The Hague, centre of Ennia's operations.

# Dutch insurance leader maintains growth at home and abroad

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The Company has its head offices in The Hague, and branches, subsidiaries and affiliates throughout Europe, in the United States, the Middle East, the Caribbean and South-East Asia. This international spread of operations reflects the Group's strategy of balanced growth in insurance markets worldwide.

### Results in 1981

Ennia continued to maintain progress in 1981. Gross receipts increased by nearly 7 per cent, and total profits after tax and after addition to the catastrophe reserve rose by 15 per cent. The number of ordinary shares increased by 5 per cent and the profit per share was up more than 10 per cent.

Life assurance results developed favourably,

though there was a small decrease in general insurance. Non-insurance activities were a little below 1980 levels.

With a final dividend of Dfl. 5.35, total dividend for the year amounts to Dfl. 9.60, an improvement of Dfl. 0.85 over 1980.

### Prospects

We expect Group income in 1982 to rise over Dfl. 3 billion.

We are sure that in the current year we shall be able to limit the growth of expenses. Additionally the acquisition of National Old Line Insurance Company of Little Rock, Arkansas, will make a positive contribution to the results.

Although increasing competition in the Dutch insurance market will depress profits of our domestic operating companies, we are confident of realising our objectives with the support of our employees and agents whose efforts have helped us achieve good

results even in difficult economic conditions. We thank them for their contribution to the growth of Ennia in 1981.

### Annual Results 1979-1981

in Dfl. million	1981	1980	1979
Gross premium life assurance	804.1	785.4	735.4
Gross premium general insurance	884.2	788.3	653.5
Other income	959.5	887.5	755.8
Unconsolidated companies	21.3	41.4	87.0
Gross receipts	2,669.6	2,502.6	2,231.7
Net profit after addition to catastrophe reserve	101.8	88.4	69.7
Figures per ordinary share of Dfl. 20.00	Dfl.	Dfl.	Dfl.
Net profit after addition to catastrophe reserve	30.1	27.22	25.68
Ordinary shareholders' funds	212.76	267.69	265.60
Dividend	9.60	8.75	8.16

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Companies and Markets

Approval for manioc import curbs

EEC Commission proposals to hold down the Community's manioc (tapioca) imports to 5,000 tonnes this year have been given preliminary approval by member governments, reports Reuters.

According to diplomats EEC Foreign Ministers have given the Commission permission to complete arrangements with both Thailand and Indonesia on the operation of the import certificate. Imports within the 5,000 tonnes will carry a 6 per cent levy, with those above this amount being taxed at the much higher level presently used for barley.

Traders believe that this quota will be used up by the end of September and with the bulk of import licences not pre-empted, many of them may have to pay the higher levy if the quota is exceeded.

EEC officials are now seeking to secure a voluntary restraint agreement with Thailand which limits its sales of tapioca to the Community to 5m tonnes for 1982 at a 6 per cent levy.

Italian bauxite find

A NEWLY discovered bauxite deposit on the island of Sardinia may help cut Italy's dependence on imported bauxite. The discovery was made at Olmedo, near Alghero, by Promesa, a unit of the Sardinian Mining concern Ente Minerario, said in a report to the Italian government.

The Olmedo deposit, estimated to contain 70m tonnes of bauxite, valued at around £2.1 trillion (million million), could cover the Italian aluminium industry's entire bauxite requirement for more than 10 years.

The industry imports bauxite from the Olmedo deposit in eastern Guinea at around \$23 a tonne FOB, a price which nearly doubles with transport costs. Sardinian bauxite delivered in Italy costs about \$45 a tonne, including cost, insurance and freight (CIF).

Coffee export quotas cut

BY RICHARD MOONEY

COFFEE PRICES on the London futures market were boosted yesterday when the International Coffee Organisation (ICO) announced that it had reduced global export quotas in the third quarter (April-June) of the 1981-82 coffee year by 1m bags (60 kilos each). The July futures position ended the day £26.5 higher at £1,185 a tonne.

Dealers noted, however, that the quota cut, triggered automatically by low prices, had been widely anticipated and said the resulting price rise might be short-lived. They said another quota cut of the same size would probably be needed to achieve a significant rise in the market. Unless prices rise substantially from current levels this will be triggered in another 15 days.

Plentiful coffee supplies are currently meeting slack demand from roasters, who are tending to buy on a hand-to-mouth basis. This picture is not likely to change in the near future unless there is severe frost damage to the Brazilian crop again this year.

Frost hit the Brazilian crop hard last year reducing the 1981-82 season to an estimated 17.6m bags from 33.7m bags in the 1980-81 season. A frost this summer would not affect production until the 1983-84 season, but would have an immediate effect on the market.

Yesterday's ICO quota cut was triggered when the Organisation's 15-day average index price slipped below 120 cents a pound. It reduces April-June quotas to 12.2m bags and the 1981-82 total to 55.7m.

Quotas are administered through the issuing of ICO export stamps which must accompany any shipments from member countries. Stamps have already been issued covering the third quarter allocations and the ICO has asked that 1m bags worth of these should be returned. Some countries may already have sold their allocations. In these cases the quota cuts would probably be carried forward into the fourth quarter.

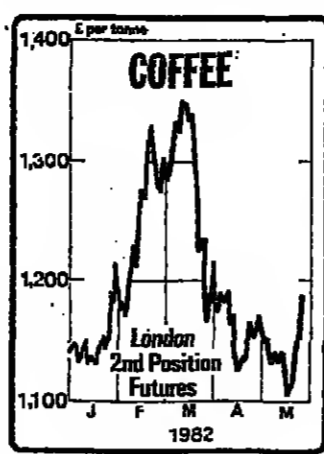
1980-81 season depressed prices led to quota cuts totalling 5.6m bags reducing the annual total to 51.2m.

The Chicago Board of Trade (CBOT) recommended against selling silver on the exchanges because the Government, as an exclusively cash seller, could cause disruptions in the market.

Mr Reid Long, a GSA official, said that the stockpile silver has been examined, and it is believed to meet exchange quality requirements. A recent change in rules by the GSA, allowing the silver to be sold to overseas buyers, also clears the way for sales through the exchanges.

However, Mr Long said, the sale of the silver by the exchanges would have the same effect on prices as did the weekly auctions last autumn when 2m ounces were sold. The group is considering two other proposals for silver disposal: minting of silver coins and continuing the weekly GSA auctions in modified form.

Our Commodities Editor



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Our Commodities Editor

Rise in world sugar surplus forecast

By Terry Povey

WORLD MARKET prices for sugar steadied yesterday in spite of an upward revision in estimates of the surplus of production over consumption for the current crop year.

On the London market raw sugar futures rose yesterday morning after the London Daily Price was set at £113, up £3 on the previous days level. Dealers say that the gains came from covering against short positions and did not present any new business.

German statistician F. O. Licht, in revised 1981-82 estimates issued on Wednesday, has predicted that the world's sugar production will reach 97.81m tonnes. He estimated consumption as falling slightly to 90.74m tonnes.

Traders do not expect this revised estimate to affect the market on the scale of the existing surplus is already so enormous that another drop is unlikely to make any difference.

Also yesterday the EEC Commission authorised the sale of just over 39,000 tonnes of surplus white sugar at a price of 29.644 ecu per 100 kilos. The amount and the rebate level were expected.

Philippines' rice for export

By Emily Tagawa in Manila

THE PHILIPPINES has 100,000 tonnes of rice available for export this year, but the National Food Authority (NFA), the state rice trading association, said it is keeping away from the market because of low prices.

The Philippines exported more than 200,000 tonnes of rice in 1980, but was out of the market last year because of stagnant production. Last year's rice production reached 5m tonnes, merely matching 1980's output of 5.02m tonnes.

However, consumption last year increased by 2.5 per cent, stimulated short covering. When New York failed to match up all the gains were wiped out, reports C. Czarnikow.

Grains

Wheat

Barley

EEC boycott proves a windfall for S. Africa

APPLES

BY JOHN STEWART IN CAPE TOWN

THE EXTENDED EEC boycott of Argentine exports, should result in a substantial windfall for Cape apple growers. The boycott has blocked Argentina's access to European fresh produce markets and, according to South African estimates, has reduced the theoretical availability of apples by more than 1m cartons during this period.

South African apples-growers, whose foreign sales are managed by the Deciduous Fruit Board, are reluctant to disclose exactly how they responded to the "short" position on European markets. But two options were open to them: they could have diverted 1m cartons from the domestic market to Europe to fill the gap left by Argentina; or they could have made sales of R200m and in 1980 they totalled R245m.

Net payments to growers, however, may not match the growth in foreign sales, because of a sharp rise in the depreciation of the rand against the U.S. dollar.

By comparison, however, the rand has only depreciated 8 per cent on average against the currencies of the European countries which take 85 per cent of South Africa's fresh fruit exports. Total export sales this season are expected to exceed 23m cartons, compared with 19m last year and 20.6m in 1980.

Export costs have been heavily inflated, too, by an average increase of 15 per cent in local port dues and handling charges which are expected to cost growers an additional R16m.

The seemingly endless erosion of their margins in the present cost squeeze has drawn South African fresh fruit producers into sharp conflict with Sappi, the country's largest producer of Kraft liner board, used for the manufacture of corrugated cartons.

U.S. futures disclosure rule modified

BY NANCY DUNNE IN WASHINGTON

THE COMMODITY Futures Trading Commission has killed a long-proposed "foreign traders" rule designed to obtain information about overseas participation in the U.S. futures markets. However, the Commission has not abandoned its goal for fuller disclosure requirements from all futures traders.

At a meeting this week the Commission proposed a modified information gathering rule which would apply to all market participants. It requires disclosure by traders and brokers instead of Futures Commission Merchants as was originally proposed.

The proposed rule would weaken the penalty for non-compliance. As it was first proposed, a Futures Commission Merchant (FCM) faced with a CFTC request for information about its clients, would be required to liquidate a customer's account if the information were forthcoming within 48 hours, as 24 hours.

Under the new approach, the Commission would direct all Futures Commission Merchants to prohibit further trading in the appropriate contract market and in the delivery months or option expiration dates specified. The application of the rule would be limited to instances where the Commission has information to determine whether or not the threat exists of a market manipulation, corner, squeeze or other contract.

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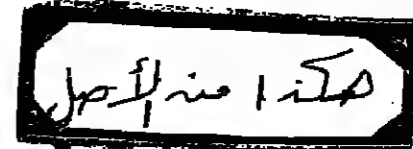
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# Jebel Ali

## Port is test case for Gulf trade

By Patrick Cockburn

JEBEL ALI port and industrial estate, 35 km south west of Dubai city, are something of a test case for the Gulf. Conceived during the boom years of the mid-1970s the vast port with 66 berths is now complete. Dubai Aluminium is working well and other companies are being encouraged to locate in the industrial zones.

It still remains to be seen, however, whether the ambitious Dubai to become a manufacturing distribution point for the Gulf will be realised to the full.

Inevitably Jebel Ali, like so much else in the Gulf, has been affected by the Iranian revolution and the Iran-Iraq war. Initially Dubai benefited from the surge in oil prices sparked off by the overthrow of the Shah and the financial future of the Emirate now looks much stronger.

But the Iran-Iraq war has also brought difficulties. The merchants of Dubai have always looked to the 36m population of Iran as their main foreign market. American sanctions increased its potential. Vessels left Port Rashid in Dubai city and Jebel Ali itself piled high with goods for the Iranian port

of Bandar Abbas. Today this trade has collapsed because Iran, short of oil revenues, no longer has the foreign exchange to pay for its imports.

Dubai also acts as a supply centre for Oman, Qatar and parts of Saudi Arabia but to realise its full potential as an entrepot the emirate needs an end to the war. While the conflict continues it is difficult to see the merchant community in Dubai finding new markets large enough to make up for what they have lost.

Once the war does end, however, Jebel Ali should benefit from the increased business which is bound to ensue.

When the port was first conceived by Sheikh Rashid bin Said al Maktoum, the ruler of Dubai, war seemed to be the last danger facing the Gulf. At that time Gulf states were facing the problems of an unprecedented boom without the infrastructure which could handle the surge in imports.

Today almost all Gulf states have good ports with minimal tariffs and it is this which makes it difficult for Jebel Ali to compete.

Nevertheless the port is attracting customers and is marketing its services enthusiastically. Last year an average of almost 100 vessels a month docked in the port. Six container lines have a regular service to Jebel Ali and another three lines may soon join them. The Port Authority particularly emphasises their advantage for lines operating from the Far East.

But greater use of the twin basins of the port must also come from persuading companies to use Jebel Ali as a regional base for the Gulf. This means bringing in new companies and encouraging those already established in Dubai's

Creek to move south along the coast to Jebel Ali.

In both areas the Port Authority is now having a fair degree of success and say that they are on target for signing new leases in the industrial zones around the port.

A particularly important area to expand is oil services and fabrication.

All these new industries are, however, dwarfed by Dubai Aluminium (Dubai), which started producing metal in 1979 and is now running at full capacity. This year it should produce 144,000 tonnes of aluminium and this may be expanded by a small margin though without much additional investment.

### Key advantage

Clearly Dubai will suffer from the fall in the world price of aluminium over the last year but this is not wholly bad news since Dubai's competitors will be hit even worse. It also has, of course, the key advantage of extremely low energy input costs.

Given the full backing of the Government of Dubai and Sheikh Rashid bin Said al Maktoum, Dubai will be able to wait out the depression in prices and eventually take advantage of reduced capacity in the rest of the world. It will also benefit from the cancellation or postponement of so many of the planned aluminium projects in Australia.

Dubai itself is far more than an aluminium manufacturing plant. In addition to the MW 515 power station Dubai's desalination plant has a capacity of 25m gallons a day and this is being increased. Out of the \$1.4bn which Dubai cost the company says that some \$700m was spent on the power station and the desalination plant.

Dubai's cheap gas comes from

the Dubai Natural Gas Company's \$350m plant which opened in 1980 and produces butane, propane and condensate. The company is searching for new gas supplies to keep the plant running for its projected lifespan. A pipeline to Abu Dhabi is also planned.

The scale of Jebel Ali as a satellite city of Dubai is much smaller than originally planned. At one stage Sheikh Rashid had in mind a whole new city with a projected population of 67,000 people in four years.

In fact the population of the UAE is unlikely to grow at anything like its previous pace because of mounting restrictions on the import of labour. Plans for another airport were also shelved.

The Jebel Ali hotel has been built, however, and is something of a monument to the original high ambitions for developing Jebel Ali, which have now been cut back to more modest, if more realistic, proportions. Most of the rest of the infrastructure of roads, electricity and water is in place.

The recent prolonged illness of Sheikh Rashid, whose brainchild the whole project is, may somewhat reduce the urgency of government backing for the project but most of the important decisions have already been taken and the investments made.

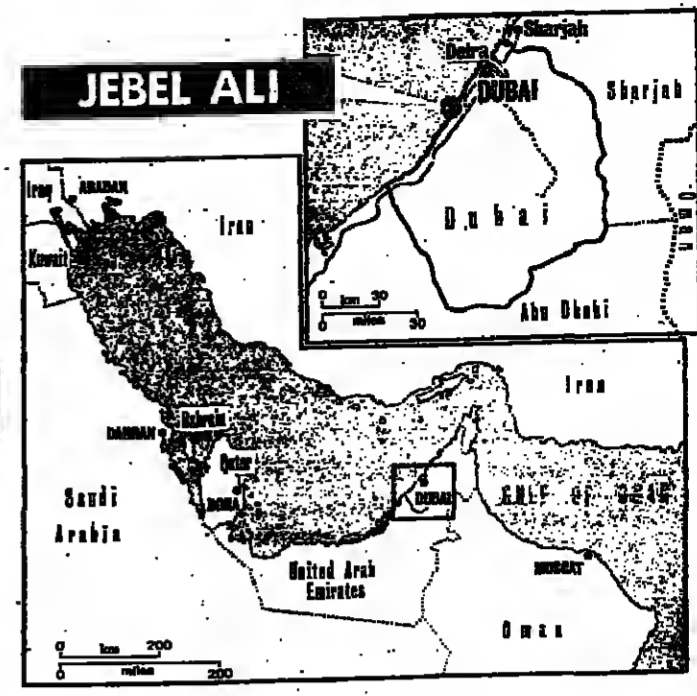
Taken as a whole there is no reason why the Jebel Ali complex should not achieve the more modest aims now projected for it. The number of berths in the port itself is too large and more a measure of Sheikh Rashid's hopes in the middle of the 1970s than what can be achieved now.

As a distribution, storage and fabrication centre for the Gulf as a whole Jebel Ali clearly has its attractions to companies already in the UAE or planning to move there.

Dubai's new port complex has inevitably been affected by the Iran-Iraq war but it clearly has its attractions for the whole Gulf as a storage, distribution and fabrication centre

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## Twin basins have 66 berths

SHAPED LIKE an upside-down F, the port area of Jebel Ali stands out against the blue-green waters of the Gulf. Started in 1976 the twin basins now form the largest port in the Gulf with 66 berths and 15 kilometres of quays. High above the harbour stands the white control room at the top of a concrete stalk.

Although construction of the basins was completed in record time the rest of the port complex inevitably takes longer to bring on stream. The Jebel Ali Port Authority is only beginning to bring in new industries to its industrial zones and persuade companies to relocate all or part of their operations from Dubai's own Creek.

The very size of the port area tends to dwarf the activities which are going on there. Even quite large vessels look small compared to the length of quayside, but close to 100 ships are now visiting the port every month.

The Iran-Iraq war has clearly reduced the transit trade to the Iranian ports although this still trickles through. Recently 390 red painted small tractors were waiting to be shipped across

the Gulf to Bandar Abbas. In a more macabre incident a thousand tons of cow dung on a small freighter caught fire through spontaneous combustion and took several days to extinguish.

Looked at in the long term, however, the problem is not the Iran-Iraq war but over-capacity of berths on the western side of the Gulf and in the United Arab Emirates in particular. Jebel Ali must compete with Port Rashid at Dubai where 2,284 ships docked last year with 5.6m tons of freight.

### More business

There is also substantially increased business through the ports of Ras al Khaimah, Sharjah and Abu Dhabi itself. Sharjah, with bargain-basement rates, is seen as a particularly significant competitor by the port authority.

Nevertheless six container lines have regular services to Jebel Ali and another three are expected to introduce them. The port management, drawn from Sealand Industries of the U.S., is particularly keen on marketing its facilities in the Far East.

The advantage of Jebel Ali as a free trade zone is limited by the virtual abolition last month of customs duties for goods in transit for the whole of Dubai Emirate including Port Rashid. Mina Zayed at Abu Dhabi is to set up its own free trade zone at the end of this year or in 1983, but his matters little compared to the changes in Dubai which are expected to save the emirate's merchants as much as Dh 240m (£36m) annually.

But in the long term the port Authority believes that Jebel Ali must become a centre for distribution and fabrication in the Gulf. It has excellent storage facilities, more extensive than those available at competing ports. This includes over 50,000 square metres of covered storage. It also has a large container terminal which can hold up to 6,000. In addition the port has its own fleet of 43 trucks and 80 trailers.

It is still early days in the creation of an industrial zone around the port area. Some 18 companies are negotiating with the port authority for industrial plots. Already nine companies

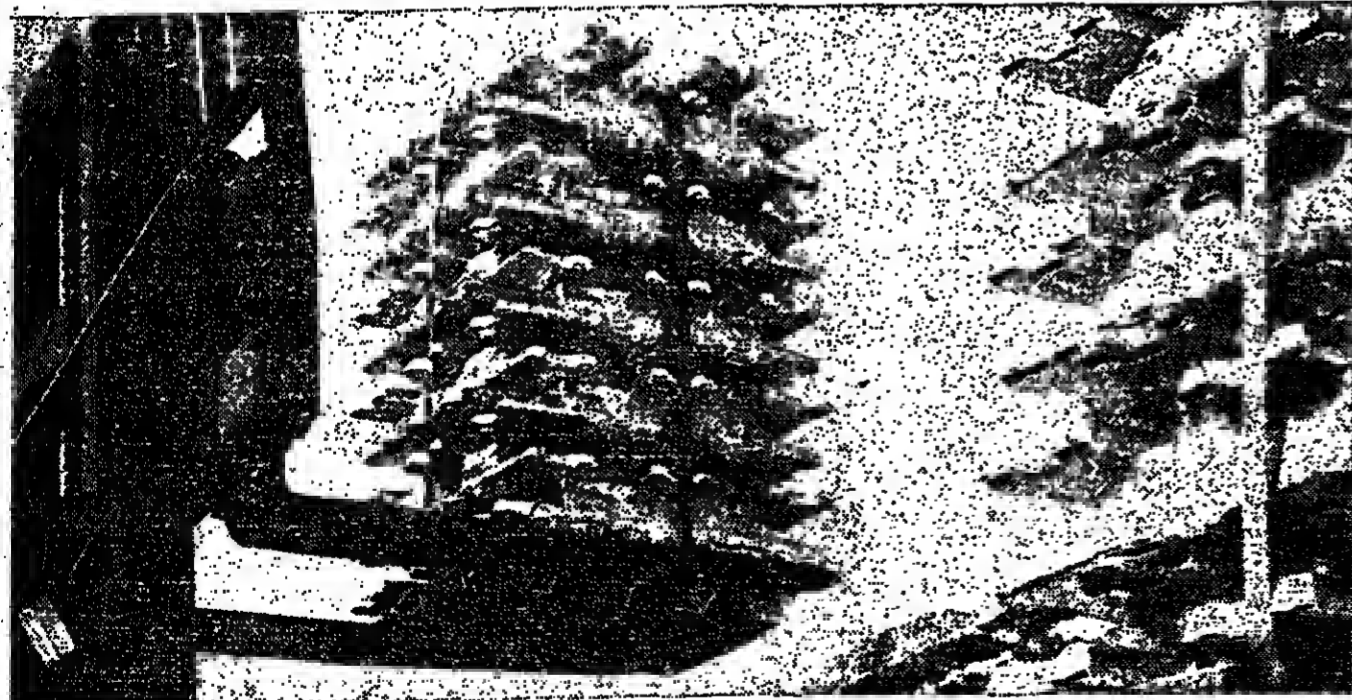
are based in the industrial zone. These include Cofexip, the French marine cable supplier, Costain International, tug boat operator Gulf Fleet, Caltex and Milchem. It is also hoped that McDermott Dubai, the oilfield fabricator, will move from its present site on the Creek together with Oilfields Supply Centre.

The long-term future of Jebel Ali port must depend ultimately on its success in attracting companies, particularly those in the oil business, who see the whole complex as a long-term base not just for the UAE but the Gulf and beyond. The regular import traffic faces very stiff competition from neighbouring ports.

Dubai itself has completed most of its infrastructural development; and is unlikely to see a sudden surge of imports again as witnessed in 1974-75. The port will also benefit from the increase in transit traffic and exports to Iran which are bound to pick up when the war ends and Tehran once again has large oil revenues to dispose of.

P. C.

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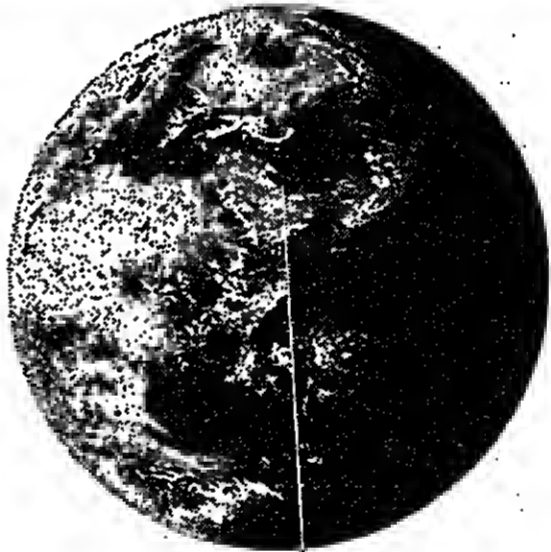
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# JEBEL ALI II

Louise Broby reports on progress in the industrial zones

## Development is on target

AS AN INDUSTRIAL port Mina Jebel Ali has been built to serve the plants and facilities located around it. The aim is to get private industry to move in rather than in Dubai city itself and also to get firms to move from the Creek to Jebel Ali.

The port complex itself is divided into three basic areas: the seaport, an inner and an outer industrial zone. These zones are divided into plots of various sizes for industrial development.

Although construction work on the port itself is now complete, development of the industrial zones is only starting. Heavy industries, such as Dubai and Dugas, are located away from the port along the seashore towards Dubai.

Oil-related industries will be on the western side of the port with light manufacturing and distribution located opposite. Leasing plots in the outer industrial zone will not start until 75 per cent of the inner industrial zone is let.

Much of the development of the Jebel Ali inner industrial zone until now has been government-sponsored, but private-sector industry is slowly beginning to realise the advantages of being located in Jebel Ali, and the port authority is negotiating with some 25 companies of whom 15 have signed leases.

Cleveland Bridge and Engineering Middle East (PVT) Ltd. was the first major company to realise the potential of building a factory in Jebel Ali, and chose a site even before the industrial zoning had been completed. As a result, they now find themselves located in the outer industrial zone.

Cleveland Bridge specialises in the fabrication of steel structures from imported steel, and the port provides an ideal location for the exporting of the finished steel structures worldwide. Their factory in Jebel Ali is also well placed for transport of their finished products by road to other Emirates and to neighbouring states.

The steelwork fabrication plant was opened in 1978, only 300 metres from the quayside of the new Jebel Ali port. In the late 'seventies, all of the company's contracts were in the UAE, but it has now established itself as an exporter throughout the Middle East. Its



Warehouses in the industrial complex at Jebel Ali. Below: raw aluminium being unloaded in one of the 66 berths in the port



highly automated plant produces some 16,000 tons of fabricated steel per annum, and exports to Iraq, Egypt, Bahrain, Oman, Saudi Arabia and Qatar. Cleveland Bridge is a joint-venture company between the UAE-based A. W. Galadari Holdings (PVT) Ltd. and the Cleveland Bridge Engineering Company Ltd. of Darlington.

### The Creek

Another company, Gulf Fleet Middle East, whose parent company is the Houston Natural Gas Company, will be moving to Jebel Ali shortly. The company was originally located on a Creek plot, but was directed to move to Jebel Ali as part of the Government's efforts to clear the Creek of industrial developments.

Their new building at Jebel Ali will be the base for the operation of supply vessels, tugs, barges, and crewboats for the offshore oil and construction industry, and for diving and survey purposes. The building which has just had its roof put on is situated next to the quayside. The company said this new location was ideal. It operates a total of 20 vessels in the Gulf.

Dubai Petroleum Company has a small warehouse at Jebel Ali on a temporary lease. A permanent lease is being negotiated. A leasing agreement with Active General Trading Company has just been signed. The company plans to use its site for a central storage and distribution centre for its products, drilling pipes and machinery for desert irrigation. The centre will be used as a trans-shipment point mainly for goods to Iran. A warehouse is already under construction.

Also located in Jebel Ali is an extrusion plant for the treatment of aluminium. Aluminium is obtained from the nearby Dubai in the form of billets which are put through the extruder to make them into sections. The plant produces 4,000 tons of sections a year, mainly for windows and doors. The plant also has a gold and silver anodising facility.

The Al Gburair group of companies, one of Dubai's biggest, owns the National Cement Company which is situated on the border between Jebel Ali and Dubai. The raw materials used in the making of the cement are imported through the Jebel Ali port.

Prospects for the cement industry in the UAE are somewhat bleak, and the National Cement Company is therefore studying the possibilities for exporting cement. Mr M. Nizar Sibai, executive director of the Alghurair group of companies and general manager of the National Cement Company, says that the company was planning to establish facilities at Mina Jebel Ali such as silos, packaging machinery and a grinding plant. The company is looking for some form of government assistance before deciding whether to go ahead with this project.

Mr Sibai estimated that the existing cement plants, together with new plants under construction or contracted for would produce some 10m tons a year once they were all on stream. This is almost 10 tons per capita, compared with a country like Japan which produces 800 kilos per head of population. "The Government should give due consideration to assisting the cement industry in the UAE," said Mr Sibai. "At present, uncontrolled activities will lead to an installed capacity far in excess of the needs of the UAE. The damage will affect not only free enterprise, but also the national economy." Another company plans to import cement and market it from a floating vessel in Jebel Ali. There will also be an onshore silo facility.

The A. W. Galadari group of companies has announced that they are planning to put up a factory to make disposable medical syringes and hypodermic needles. A petrol refinery has also been planned for Jebel Ali on the 30 hectares of reclaimed land at the mouth of the harbour. The land was reclaimed by making a lagoon and filling it up with the silt dredged from the inner harbour during its construction. The petrol refinery has had seven confidential reports written about it, all commissioned by the Government, but so far, the plans have come to nothing.

Mr Charles S. Heath, Jebel Ali Port Authority's director of marketing, said development of the industrial zones was going according to plan. "Right now we are achieving our target," he said. "At the end of 1982 we will be ahead of our planned development."

## Back-up facilities come into use

THE PROVISION of infrastructural facilities in Jebel Ali such as roads, water and electricity supplies, residual gas for industrial use, telephone, telex, fire-fighting and security services have preceded the overall development of the industrial zones and free trade area.

This approach augurs well for the future. Jebel Ali is likely to end up as much more than a hotch-potch of industries thrown together around a maze of access roads with no proper support facilities.

The road linking Dubai and Abu Dhabi, which passes through Jebel Ali, was built in 1974. It was originally a single lane carriageway, but due to the many accidents, another lane was built as soon as the single lane highway had been completed. From this humble beginning in 1976, construction began on one of the largest industrial ports in the world. The port itself was completed in 1979.

A plan for a new town at Jebel Ali to accommodate the people associated with the port was commissioned in 1976. The plan was based on a conceptual framework for future development and laid down the guidelines for the infrastructure requirements in the area. The plan envisaged a town with a final target population of between 373,000 and 758,000, and with 67,000 people in four years time, the plan was felt to be somewhat ambitious considering there are only one million people in the seven emirates altogether, and is now in abeyance.

### Road network

Infrastructural development is far advanced. With the port completed, security and fire fighting services are already fully operational. The network of roads in the inner industrial zone has been completed. Water and electricity pipes and cables crisscross the inner zone, and water and electricity can be connected to individual plots as the demand arises. Telephones and telex are also available to tenants in the inner zone.

Electricity is being supplied by the Dubai electricity department from the near-by power station to the port area. It is being administered through a system of five 20-kilovolt stations located around the port areas from where it is fed into numerous 11-kilovolt sub-stations. From the sub-stations, it is distributed to the various industrial sites and port locations. One main station has already been built in the outer industrial zone, and the sub-station can be extended into the outer zones at short notice. It takes a little time to connect up individual sites due to the need for laying additional cables, but services can be provided at one or two months' notice in some cases, depending on location.

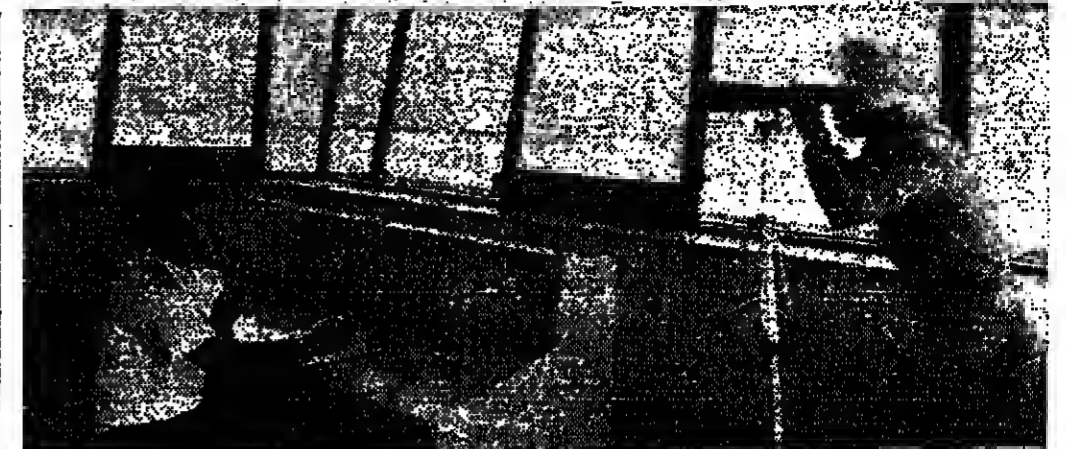
If a site is far removed from the nearest sub-station, electrification takes a little longer. But once the port authority leases out a site, it usually takes the lessee some 12 months to develop it, by which time services from the nearest distribution point will have reached the site.

Water is supplied by the Dubai water department and comes mainly from the Dubai desalination plant. The water supply network to the Jebel Ali complex has been laid around the port and in the inner industrial zone. The main supply pipes run on the boundaries of the west wharf and the quay six to the north east.

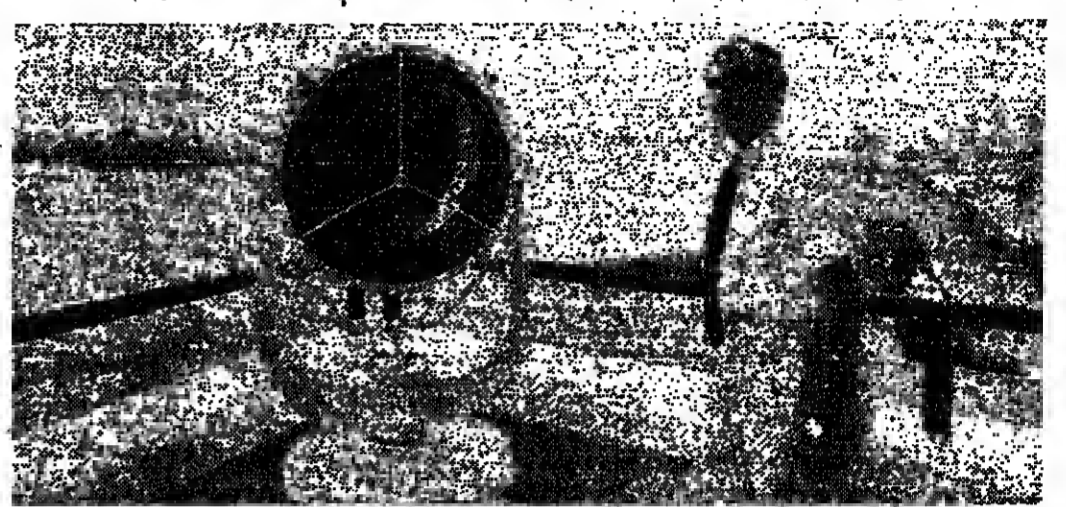
The complex has also been supplied with a road network extending to all the inner zone sites. The existing highway road between Dubai and Abu Dhabi which was built to Dubai carriage standards, runs right past the southern corner of the port. Some years ago Sheikh Rashid bin Said al Maktoum, the ruler of Dubai, decided to divert the section of the highway which cuts through the complex. One morning, he walked along the existing highway and indicated the location of the new road by pointing to a hut in one direction and to the new defunct Dubai/Abu Dhabi border 13 kms away in the opposite direction.

The ruler then gave instructions to commence work on the highway diversion straight away. Only 48 hours later, work started. The new bypass is 3km inland and skirts the zone. A 121 km section was opened to traffic by Sheikh Rashid this month. The remaining section is due to open in July or August. Plans for a new airport in the area to serve the port have been shelved for the time being.

L. B.



The control room of the Harbour Authority. Below: Captain George Biro, the Harbour Master of the Port Authority of Jebel Ali



## Trade expansion hit by Iran-Iraq war

HOPES FOR the rapid expansion of Dubai's trade with Iran have been hit hard over the past year. Oil revenues no longer provide Tehran with the foreign currency it needs to fund its imports. Letters of credit can no longer be easily opened in Dubai or other parts of the world.

The impact of this is particularly serious in Dubai for Iran is the obvious market for its merchants. The L1m consumers within the United Arab Emirates are already over-supplied and profit margins are low. There are limits to what the small populations in Saudi Arabia, Oman and Qatar can absorb. It is the 86m people of Iran who form the obvious potential market for Dubai as an entrepot.

After the taking of the American hostages in Tehran, at the end of 1979 the American trade sanctions against Iran provided obvious opportunities for re-exports from Dubai, and these were quickly seized by local trading companies.

Goods flowed across the Gulf to Bandar Abbas and other Iranian ports. Although foodstuffs were excluded from the American embargo there was a particularly steep increase in rice and meat shipped from Dubai to Iran.

Shows left Port Rashid, Jebel Ali and other parts of the UAE filled with consumer goods such as videos and other electronic equipment. There was also a good market for textiles, clothing, spare parts, tyres, oil products and cigarettes. Much of the trade was smuggling. Last year one launch was wrecked on the Omani part of the peninsula and was found to contain 8m Winston cigarettes, a brand always popular in Iran.

### Revenues down

But with the ending of the embargo and the decline in Iran's oil revenues this trade has largely come to an end. In the last six months of 1981 re-exports from Dubai to Saudi Arabia and to Qatar were down by 46 per cent compared to 1980. The impact of this is obvious in Dubai. Some goods like tyres and clothing are on sale for knockdown prices in the souks (markets) and merchants have gone as far as Uganda in search of new markets.

The re-export figures tell the same story. By last November Iran was the destination of only half the value of re-exports going from Dubai to Saudi Arabia and was also a smaller market than Qatar. In December 1980 the UAE's imports of American foodstuffs and live animals were worth \$18m. In the same month last year they fell to \$2m.

This is all bound to have an impact on the opportunities open to Jebel Ali port as a centre for re-exports. It is also depressing the general level of business confidence in Dubai. Not everybody has been hit equally. Some firms, for instance, have found new markets for construction equipment in Iraq. The problem is that none of Dubai's neighbours has the absorptive capacity of Iran.

Many local businessmen see major opportunities opening up when the Iran-Iraq war ends, which it shows no signs of doing at the time of writing. The Iranian Government is already cutting its oil price in an effort to bring in more oil revenues. But there must be doubts about the good this will do to Dubai.

The Iranians say they want to buy more goods from the country of origin rather than through middlemen. They also want to cut down on the proportion of consumer goods entering the country. Tehran is aware that one of the reasons that it faces its present problems was that it failed to get control of imports last year and they are determined not to let this happen again. The disruption of the Iranian trade is also important because

it precipitated changes in the structure of the way Dubai works. Most of the businesses in the Emirate have seen the market expand rapidly for more than a decade. The big hotels, the grand offices and the Trade Centre are monuments to this. But an entrepot needs expanding markets at home or abroad and it is not clear where these will be found in future. "If the Iranians can do their forward planning successfully there is no reason for them to use Dubai," said one substantial businessman pessimistically.

The Emirates themselves are a rich market and even with falling oil prices Dubai exported 360,000 barrels a day of crude last year, which is more than Oman. They are also a grossly over-supplied market. In the souks, prices are low not merely because of Iran but because competition is so intense. Dubai has built all its infrastructure and there are few big construction contracts in the offing.

Big local merchants are finding it difficult to expand. As a consequence of all this is laws which are now going into effect to limit the role of foreign companies, banks and businessmen who are not UAE nationals. The latter is particularly important because so many of the medium-sized merchants in Dubai are of Indian and Pakistani nationality.

The most important new law concerns agencies for foreign companies. These will in future be limited to companies wholly owned by nationals. Under other laws foreign banks will have to cut back to eight branches and insurance companies must be 100 per cent owned by local citizens.

Local businessmen in Dubai were initially opposed to such laws which originated in Abu Dhabi. But as they witness diminishing opportunities for economic growth at home and abroad merchants who are UAE citizens have changed their stance. "Today local merchants are as enthusiastic for these laws as Abu Dhabi," said one diplomat in Dubai.

At the same time visa restrictions on entry into the UAE have been tightened up primarily as a result of the Iranian revolution. The recent conspiracy in Bahrain is likely to lead to it being more difficult to get into the Emirates.

Although the authorities appear to have been initially trying to restrict entry of Arabs and Iranians, who might be a political threat. It is the Europeans and south Asians who have been hit most. Some local businessmen complain that this will hit business since in the past customers would fly into Dubai in order to buy consumer goods cheap before leaving for India or Pakistan.

The problem is that despite the talk of economic integration by the Gulf Co-operation Council, local economic interests are so strong that economic unity is likely to be largely rhetorical. For the moment, for instance, it appears that the new agency law will exclude agents from Bahrain and Kuwait.

An end to the war between Iran and Iraq will certainly benefit Dubai and thus Jebel Ali. The flow of re-exports to Iran would increase rapidly but not to the degree which has sometimes been hoped for by some local companies.

Vessels are still stopping at Jebel Ali with goods which will eventually go to Iran. This includes one with 1,000 tons of cow dung for fertiliser which recently caught fire through spontaneous combustion in the port.

But the new laws throwing more business to locally-owned companies will undoubtedly reduce Dubai's status as a free and easy entrepot, more welcoming than any of its neighbours. It will also curtail Dubai's capacity to become the trade centre for many of its neighbours. In future Dubai will become more like Abu Dhabi.

Patrick Cockburn

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# JEBEL ALI III

The \$350m Dugas complex is already working at full capacity, says Louise Broby

## Gas plant provides cheap energy

THE DUBAI Natural Gas Company's \$350m gas recovery plant in Jebel Ali is one of the pillars in the Government's long-term policy of using Dubai's own natural resources for the development of local industry, and for the increase in exports of petroleum products and aluminium to the outside world.

In an era of fuel preservation and intensified efforts to find alternative sources of energy, the Dugas plant stands as a monument to the foresight of the Ruler of Dubai, Sheikh Rashid bin Saidal Maktoum. It is wholly owned by the Dubai Government and Scimitar Oil is in charge of operational management. Opened in 1980, Dugas has turned what was formerly a gigantic waste of millions of cubic feet of gas into a vital economic resource. Before the plant came into operation, the gas was flared off into the sky from Dubai's offshore oil production fields. It is now being processed and turned into marketable energy products for export and home consumption.

The present production level of the plant is 1,200 tons of propane and 1,200 tons of butane daily, together with 6,500 lbs of condensate. The gas liquids are exported mainly to Japan where the main customer is C. Ito.

The plant also produces 65m cubic feet of residue gas daily which flows directly by pipe-

line to the neighbouring Dubai Aluminium Company Limited (Dubal). Aluminium production is an energy-intensive industry, and cheap energy supplies on its doorstep enables Dubal to enter world markets at competitive export prices for its aluminium.

### New pipeline

There are indications that supplies from Dugas may not be sufficient to keep Dubai going in the long term, and negotiations are under way to obtain additional supplies of natural gas from Abu Dhabi by a new pipeline.

A project for a 106 km buried pipeline carrying gas from Abu Dhabi Muqta Bridge to Dubai is in existence. The planning stages of the project have been completed, but as yet no go-ahead has been given by the Dubai and Abu Dhabi Governments. In anticipation of the project being given the green light, Adnoc has signed an agreement to supply the gas.

Project managers designate for the project are Gulf Resources Management Corporation of Dubai. If the project is approved, the corporation will employ consultants for the design stage of the pipeline, and contractors for the construction phase.

In addition to these outlets,

the local market is supplied with gas through Dubai Gas Bottling Company which bottles the gas in cylinders. Another project which is under investigation by a local company, Biotech (U.A.E.) Private, is the conversion of natural gas to animal feedstuff by biological processes.

The output from the Dugas plant at present cannot fully cope with exports as well as domestic demand. Mr Harvey Wylie, general manager of Dugas, who is also the president of Scimitar Oils Ltd, S.A., gives priority to exporting the gas since the financial returns from the marketing of gas overseas are better than from local sales. In addition, overseas sales bring in revenue to the Dubai Government.

Although the plant is working to capacity, it is not certain whether present gas supplies will keep the plant running at full load for its projected life-span of 30 years. But Mr Wylie believes new fields of gas will be discovered long before then.

"We are optimistic that there will be further strikes in Dubai either offshore or onshore of crude oil and associated gas, or possibly gas condensate similar to the finds in the emirate of Sharjah."

The discovery of ten trillion (million, million) cubic feet of gas by the Amoco Sharjah Com-

pany in the two new onshore fields Al Sajaa and Al Mawa'aid was officially announced on March 18 by the Ruler of Sharjah, Sheikh Sultan bin Mubammed Al-Wassimi.

Explorations are also going on in Dubai itself. An American company, Arco Dubai, has been drilling a well on an onshore concession area about 40 km south of Dubai since November 1981. After evaluations, the company is hopeful of striking oil and associated gas.

Dugas itself has plans for drilling an additional two development wells in the newly discovered Rashid field to achieve better drainage. If it is decided to go ahead, Dugas will build its own new platform, and hire the drilling equipment from one of the drilling companies.

Mr Wylie does not expect the discovery of vast new reserves of gas in the Rashid field. But if better drainage could be brought in, this would allow Dugas to sustain present production levels for a longer period. "At present, we are operating to capacity," he said. "Any additional finds would allow Dugas the flexibility of having a constant load factor for a long time ahead." He does not think any new finds made by Dugas would be large enough to justify the

building of a new processing plant.

The existing facilities consist of a complex system of platforms, pipelines and processing equipment. The gas from the Fateh fields is fed from the oil platforms to the compression platforms through a pipeline attached to an interconnecting bridge. In the Rashid field, a combined compression and oil production platform collects the gas. Such double purpose platforms were not used in the past because of the practice of flaring rather than processing the gas.

### Taken by barge

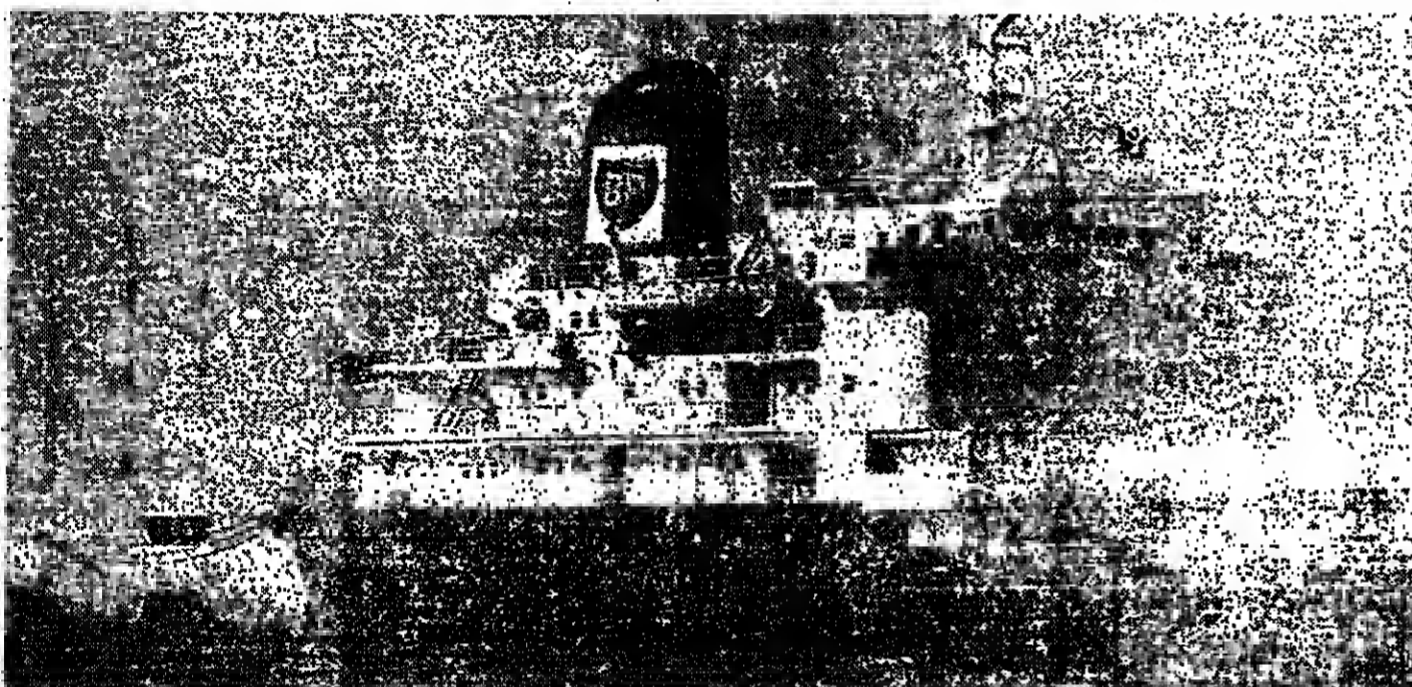
The compression platforms were designed by McDermott of New Orleans, Louisiana, and built by McDermott Middle East Trading Company in Dubai. Part of the construction work on the platforms was undertaken offshore. The legs, or jackets, were taken by barge to the offshore site, put into place by cranes, and fastened to the ocean floor by pilings.

On the compression platforms, the gas is subjected to substantial pressure to force it through the pipeline to the shore. Onshore, the mixture goes to the refrigerated liquid extraction unit where it is broken down into residue gas, propane, and liquids from the gas extraction process are separated at the fractionation and liquid treating facilities.

From there, the condensate goes directly to its storage tank. The propane and butane require additional handling and pass through refrigeration facilities for storage at atmospheric pressure. The propane is stored at -50° F, the butane at +24° F.

In addition to the processing facilities, the plant has a 21,840 sq ft administrative building. The inside of the building is modern, spacious and cool. The many plants decorating the halls and rooms are more reminiscent of a botanical garden than a gas plant and provide a pleasant contrast to the desert surroundings.

Dugas presently employs some 225 people on a permanent basis and a further 175 on contracts. Most employees are technically qualified expatriates and the plant has a large engineering group to back up operations.



A tanker moored in Jebel Ali with Dugas in the background

Patrick Cockburn discusses the importance of the Dubai Aluminium project

## Dubal plans to raise output

STRETCHING NORTH from Jebel Ali port on the road back to Dubai city stands the Dubai Aluminium Company (Dubal) plant, one of the most ambitious industrial projects in the Gulf to be constructed and start operations. Silver coloured aluminium ingots, piled together to form glittering cubes, stand ready for loading, mainly for export to Japan and other Asian markets.

The first metal was poured

in 1979 and last year the plant produced 106,000 tons of aluminium. Over the next five years the plant is to increase output without a very large additional investment in the \$1.4bn complex. This will push output over the 144,000 tons projected for this year.

The world price of aluminium is low and it is difficult to see any rapid improvement so long as the depression continues and excess capacity remains. But

Dubal's management are confident that they will outlast their competitors, benefiting as they do from the cheapness of their energy input. Gulf Resources Corporation, Dubai's sole selling agent, also has the advantage of disposing of much of Dubai's output in Japan where aluminium manufacturing capacity has been almost halved since the late 1970s.

"We have achieved a manufacturing cost equal to or below smelters in the U.S.," said a director of Dubal earlier this spring. "This year we expect to make a manufacturing profit." Clearly much will depend on the way the world market moves.

Nevertheless the company is now planning for a relatively minor investment to increase output further to 155,000 tons per year "with the addition of two more pots at the end of each of the six pot rooms."

Also under study is additional capacity for manufacturing aluminium rods, an aluminium powder plant and an expansion of the desalination plant starting in July next year. The latter is a key part of the Dubal complex harnessing heat from the Mw515 power station. The power and desalination plants together cost at least half of the \$1.4bn invested in Dubal. The smelter itself cost some \$700m.

by the Gulf Organisation for Industrial Consulting in 1980 showed that electricity costs as a percentage of total operating cost of an aluminium manufacturing plant were 34.5 per cent in the U.S. compared to a little under 24 per cent in Australia and Brazil but only 10.3 per cent in the Gulf.

The GOIC argues that the advantages of aluminium manufacturing in the Gulf will increase in the 1980s. It points to the rising cost of new smelting capacity in developed countries, and the flexibility of energy pricing in the Gulf (very low gas prices).

There is also the development of related industries such as alumina and petroleum coke which can cut some of the input costs. But for all the GOIC's enthusiasm Saudi Arabia has postponed its aluminium smelter at Jubal and Iraq's plans for producing aluminium have taken a heavy knock since the outbreak of the war with Iran.

But the Gulf also has its disadvantages. Labour is expensive although Dubai has succeeded in reducing the workforce from 1,550 to 1,430, mostly drawn from Pakistan, India and the Philippines, and this is to be further cut to 1,300 by the end of 1983. Training schemes for UAE citizens have been introduced. In addition there are 178 westerners mostly in a managerial role.

Developing the plant has not been without hiccups. In February 1981 there was a power failure, now the subject of litigation, which led to a "potline freeze." There is now a 100 Mw tie in with the grid system. A further reduction in costs may spring from the construction of a petroleum coke plant with the feedstock coming from Ruwais refinery.

The Dugas plant close by Dubai is responsible for supplying the power station with gas and in the immediate future more gas should be available than Dubai actually requires. But there are also plans for a pipeline to link Jebel Ali with Abu Dhabi's gas fields. The recent gas finds in Sharjah, however, which is much closer to Jebel Ali, could lead to this being used as an additional source of energy.

Over the next few years Dubai is bound to be hit by the depression and the low price of aluminium. Nevertheless the long-term position looks good. Dubai Emirate, which wholly owns Dubal, is in a much stronger financial position than it was before the surge in oil prices at the end of the 1970s and Dubai's competitors are bound to reduce their capacity.

### Fresh water

Although the desalination units do not look large on the plant site, the six evaporator units were recently able on a test run to produce 80 per cent of Dubai's 25m gallons a day of fresh water. Another two day test run last summer raised production to 30m gallons a day or 5m gallons more than capacity.

There are now plans to use the brine from the desalination plant as the basis for salt production from which magnesium could be refined. The brine would be allowed to evaporate in pans close to Jebel Ali from which 300,000 tons of high grade crude salt would be harvested at a total cost put at \$5-6m.

But despite these extras the heart of the project is the production and sale of aluminium. If Dubai is to be more than just another oil state it is important that this should succeed. So many grandiose projects in the Gulf have been abandoned or, like Dubai dry dock have never been used. That Dubal and its rival Alba in Bahrain are important test cases.

The greatest advantage of producing aluminium in the Gulf is clearly the low price of electricity. A study carried out

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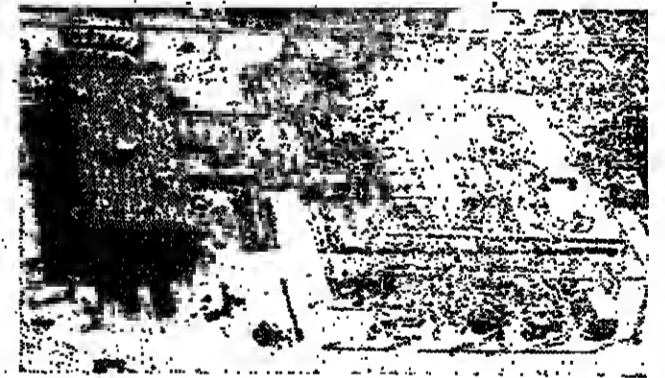


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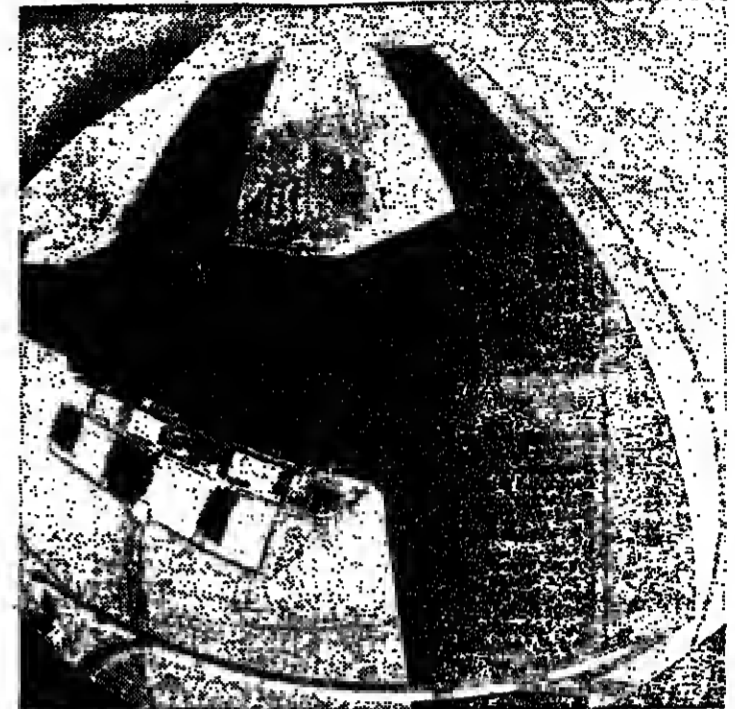
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ميناء جبل علي، دبي

COMPLETION OF DRY  
EXCAVATION AT JEBEL ALI HARBOUR, DUBAI

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WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of New York stock market data including indices like Dow Jones, S&P 500, and various sector indices.

Table of individual stock prices and changes for various companies in the New York market.

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NEW YORK ACTIVE STOCKS

Summary table of New York active stocks showing volume and price changes.

INDICES

Summary table of various stock indices and their performance.

STANDARD AND POORS

Summary table of Standard and Poors indices.

NEW YORK ACTIVE STOCKS

Summary table of New York active stocks.

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Summary table of New York active stocks.

Dow off 4.6 at mid-session

REFLECTING Wall Street's disappointment that more banks had not lowered their prime rates, prices were down at mid-session after fairly active trading.

ESTATE and Pipelines stocks leading the declines. The composite index was off 4.2 at 1,506.1 on turnover of 2.31m shares.

Among the sub-group indices, Estate fell 19.5 to 2,631.9. Real Estate fell 37.9 to 3,537.8.

PIPELINES led advances 13.1 to 100.1. Among the sub-group indices, Pipeline rose 10.2 to 1,589.2.

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Companies and Markets

LONDON STOCK EXCHANGE

Leading shares rally after early setback prompted by events in the Falklands—Defence stocks higher

Account Dealing Dates

First Declara- Last Account Dealings Date... May 17 June 3 June 4 June 14 June 7 June 17 June 18 June 22 June 21 July 1 July 2 July 12

The main investment sectors of stock markets showed little material change at yesterday's close following an uneasy trading session. Incoming reports of events in the South Atlantic took a toll on sentiment.

The recent show of new-found confidence in the equity sectors gave way to nervousness and led to a fairly sharp reaction in leading shares during the morning.

British Funds, in contrast, held steady for most of the day and finished a shade firmer on balance.

The deterioration of the tone in early equity dealings was well illustrated by the FT 30-share index which fell away progressively to record a fall of 6.3 at the 1.30 calculation.

Clarification of early reports on the UK Task Force ship and personnel losses in the South Atlantic calmed some of the morning's worst fears, and the index picked up the lost ground to close unchanged at 558.8.

Only eight of the index constituents ended with a rise on the day with the emphasis on defence stocks; Plessey due to report preliminary figures today.

making trading statements prompted occasional features.

British Funds passed another quiet trading session. Short-dated issues trended easier, but interest was shown in low coupon issues, with Exchequer 3 per cent 1984 improving 1 to 88 and Exchequer 3 per cent 1983 1 to 93.

Initial weakness in sterling had little lasting impact on the longer maturities where quotations ended the day a fraction firmer on balance.

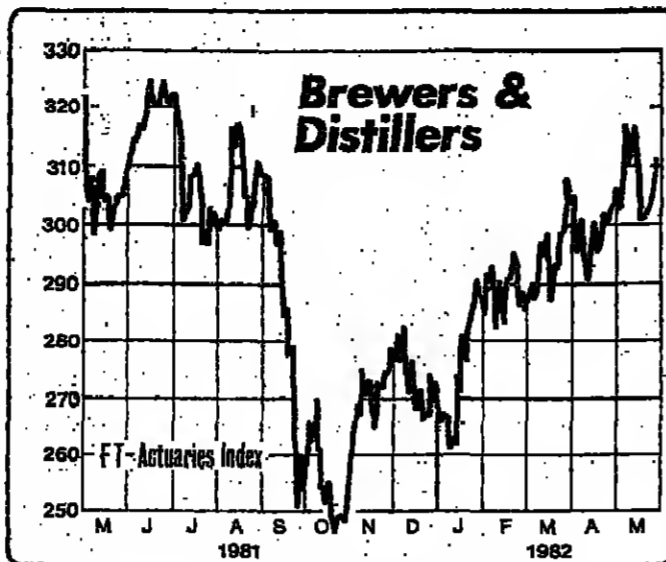
The Government securities index improved 0.15 more to 68.55.

Against the dull trend in merchant banks, Master Assets rose 5 to a 1982 peak of 88p in response to the increased final dividend and 54 per cent jump in annual earnings; it was also announced yesterday that Britannia Arrow now holds a 18.3 per cent stake in the company.

The major clearing banks closed a couple of pence above the day's lowest, but still with falls ranging to 6.

Sporadic activity and lack of support saw Midland touch 315p before finishing a net 6 off at 320p, while Barclays shed 5 at 455p, after 452p. Allied Irish held the overnight level of 82p following the results.

Comment on the first-quarter figures caused Phoenix, at 236p, to lose 2 of the previous day's gain of 10. Sun Alliance eased 2 cheaper on balance at 732p following the chairman's remarks at the AGM about the company's



overall loss for the first-quarter of the current year.

Royals gave up 5 to 425p bid, against the trend. Edinburgh and General hardened 2 to 11p. Hides were sold down to 187p on fading bid hopes before rallying to end the day lower at 182p.

Breweries, static for most of the day, came in for useful support in the later trading and often closed higher. Bass stood out with a rise of 4 to 230p, while Allied-Lyons, preliminary results scheduled for next Wednesday, hardened a penny to 94p.

Among regions, Wolverhampton and Dudley managed a firm market in the wake of the interim figures and added 3 more to 230p. Youngs, annual results due today, rose 5 to a 1982 high of 360p.

Early modest losses in leading buildings were usually erased and sometimes replaced with small gains.

International Paint added a penny to 236p awaiting today's preliminary results, while revived demand left Arrow Chemicals 2 dearer at 43p. Novo Industries "B" rose 3 points to 118p.

ICI slipped to 518p on lack of interest before rallying to close unchanged on balance at 524p. International Paint added a penny to 236p awaiting today's preliminary results, while revived demand left Arrow Chemicals 2 dearer at 43p. Novo Industries "B" rose 3 points to 118p.

Marked a few pence lower at the outset, leading Stores attracted scattered support after the official close and most finished well above the worst.

British Home, down to 156p earlier, rallied to close a penny dearer on balance at 160p. House of Fraser added 2 to 156p, after 152p, while Marks and Spencer reverted to unchanged at 160p, after 157p. H. Samuel eased 3 to 105p following the balved full-year profits, while Soule Sound came under renewed pressure and gave up 5 more to 59p, after

North put on a like amount to 38p

Mariner rose 8 for a two-day gain of 20 to 118p. Carless Capel firmed another 6 to 181p with the new nil-paid shares 5 up at 41p premium.

Kraft jump

Furniture shares attracted a fair amount of speculative attention in miscellaneous industrials yesterday. Kraft Productions jumped 12 to 20p, after 28p, on bid hopes fuelled by the announcement that the chairman had sold his substantial stake in the company.

Meanwhile, continuing talk of an imminent bid helped Gamme to advance 6 for a two-day surge of 10 to 35p. Specially buying also lifted Parker-Knoll A 4 to 145p.

Dundonian firmed 2 to 88p, after 70p, on the good results and Jardine Matheson rose 8 more to 175p, after 178p, on further consideration of the chairman's encouraging annual statement.

The company's defence interests helped Roper to harden 2 to 123p with the A rising 5 to 127p, but recently popular British Aerospace lost 4, at 219p, on news of further redundancies.

Publicity given to a broker's bullish circular lifted Trident TV A 3 to 72p, while further demand in a thin market left Plessey firm 5 up at a 1982 peak of 280p.

Motor and Aircraft component manufacturers, firm of late, reacted to scattered port-taking and generally finished with modest falls.

AE shrugged off the discouraging results from the South African subsidiary and added a penny to 46p; the company announces interim results today. Takeover prospects continued to bolster Distributors, notably R. Woodward, 6 dearer at 38p, and Tate of Leeds, 2 up for a three-day advance of 13 to 95p.

Newspapers finished higher, where altered. Pearson Longman rose 7 to 346p; the minority offer from parent S. Pearson has been declared unconditional as to acceptance; the latter added a couple of pence to 229p. BFM A continued to draw strength from a favourable Press mention and put on 3 more to 79p.

International Thomson firmed a few pence to 333p following the first-quarter figures. Properties reflected the general market trend, drifting lower before picking up to close narrowly mixed.

Capital and Counties gained 4 to 121p in response to the good preliminary results and property revaluation, while Hammerson A, overshadowed recently by the rights issue, rallied 10 to 560p.

After giving ground at first on lack of support, Oils staged a modest rally and closed above the worst. Shell, a rising market recently, reacted to 424p before settling 6 cheaper on balance at 428p, while British Petroleum slipped to 314p before reverting to the overnight level of 318p. Outside of the leaders, the Humby Grove participants met fresh support and Candecca put on 9 to a 1982 peak of 229p, while

Mariner rose 8 for a two-day gain of 20 to 118p.

Carless Capel firmed another 6 to 181p with the new nil-paid shares 5 up at 41p premium. Overseas Traders featured Tozer Kemley and Milbourn, which eased 4 to 68p following comment on the proposed disposal of the group's international trade financing division.

Gold steady

Leading Gold shares improved a little in early trading, in line with the stronger bullion price which reflected renewed anxiety over the Falklands crisis.

But as gold edged lower during the day, to close just 53 higher at \$350.25, share prices fell away to close below the best. Some issues still recorded gains around as in Harbrite, \$261.

Medium and lower-priced stocks were featured by Deaconsfontain at 748p, Labanon at 707p and Harmony at 527p, all around 4 better.

The Gold Mines index picked up 2.1 to 233.7. South African Financials showed signs of nervousness, with investors unsure what course to adopt, although there were some buyers for specific issues where recent falls were thought to have been overdone.

As in Anglo American, up 8 to 448p, Sentrust, 13 to the good at 374p, and "Angold", 12 better at \$324.

Anglovaal, which had remained untouched by the recent sharp declines, finally succumbed with a fall of a point to 17.

In Coala, Transvaal Consolidated Land fell a further 1 to 11, a low for 1982. In London Financials, Charter lost 4 to a low for the year of 195p and Rio Tinto Zinc gave up 8 to 427p.

Gold Mines of Kalgoorlie jumped 15 to 215p to recoup most of the previous day's decline, but much of the interest in Australians centred on Energy Resources of Australia, which put on 10 to 104p following speculation in overnight domestic markets.

The lack of investment incentive in the underlying securities resulted in an extremely subdued session in Traded Options with only 638 contracts being taken—482 calls and 156 puts. Shell Transport attracted a relatively active business with 105 calls and 45 puts struck.

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Rises, Falls, Same. Values: 50, 17, 25.

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RISES AND FALLS YESTERDAY

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RECENT ISSUES

Table of recent issues with columns: Issue price, Amount, Date, Stock, etc.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns: Issue price, Amount, Date, Stock, etc.

"RIGHTS" OFFERS

Table of rights offers with columns: Issue price, Amount, Date, Stock, etc.

Recalculation data usually last day for dealing free of stamp duty. Figures based on prospectus estimates. Dividend rate paid or payable on part of capital cover based on dividend on full capital. Assumed dividend and yield. Indicated dividend cover relates to previous dividend. P/E ratio based on latest annual earnings. Forecast dividend cover based on previous year's earnings. F dividend and yield based on prospectus or other official estimates for 1982. G Gross. Figures assumed. H Figures as reported. I Cover allows for conversion of shares not now seeking for dividend or renouncing any for restricted dividends. J Pricing price. K Pence unless otherwise indicated. L Issued by tender. M Offered to holders of ordinary shares as a "rights" issue by way of capitalisation. N Introduced. O Issued in connection with recapitalisation, merger or take-over. P Introduction. Q Issued to former preference holders. R Allotment letters (or fully-paid). S Provisional or partly-paid allotment letters. T With warrants. U Dealings under special rules. V Unlisted Securities Market. W London Listing. X Effective issue price after scrib. Y Farmer's debt in under Rule 163(2)(e). Z Issued free as an entitlement to ordinary holders.

ACTIVE STOCKS

Table of active stocks with columns: Stock, Closing price, Day's price change, etc.

TUESDAY'S ACTIVE STOCKS

Table of Tuesday's active stocks with columns: Stock, No. of closing price, Day's price change, etc.

FINANCIAL TIMES STOCK INDICES

Table of financial times stock indices with columns: Index, May 24, May 25, May 26, May 27, Year ago.

10 am 578.5, 11 am 576.8, Noon 574.9, 7 pm 574.0. Basis: 100 Govt. Secs. 16/10/28. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/56. SE Activity 1974. Corrected. Latest index 01-245 8025. \*Nil = 10.14.

HIGHS AND LOWS S.E. ACTIVITY

Table of highs and lows with columns: 1982, 1981, High, Low, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Large table of FT-Actuaries share indices with columns: Equity Groups & Sub-sections, Index No., Day's Change, etc.

FIXED INTEREST

Table of fixed interest with columns: Price Indexes, Yield, etc.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service represent attained new Highs and Lows for 1982.

Table of new highs and lows for 1982 with columns: Company Name, High, Low.

OPTIONS

First Last Last For Deal-Declar- Settling tions ion ment May 24 June 11 Sept 2 Sept 13 June 14 June 25 Sept 16 Sept 27 June 28 July 9 Sept 30 Oct 11 For rate indications see end of Share Information Service Money was given for the call in Linds, BP, Exco International, J. Hepworth, Central and Sheerwood, RHM, Celtic Haven, Adams and Gibbon, Town and City Properties, Otter Exploration, First National Finance, Stewart Nairn UDS and Childe. Puts were done in Somic Sound and Exco International, while double options were arranged in UDS, Turner and Newall and Chloride.

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Companies and Markets

CURRENCIES and MONEY

Sterling recovers

Sterling recovered from levels seen earlier in the day after some help from the Bank of England...

The dollar was mostly firmer despite a softer trend in Euro-dollar rates...

STERLING - Trade-weighted index 89.7 against 89.6 at noon, 89.8 at the opening and 89.3 on Tuesday...

DOLLAR - Trade-weighted index 113.4 against 113.2 on Tuesday and 105.6 six months ago...

D-MARK - EMS member (strongest). Trade-weighted index unchanged at 123.2 on Tuesday...

from DM 2.3026 and sterling was higher at DM 1.6860 compared with DM 1.6190...

DM 1.6190. Within the EMS the Belgian franc and Danish kroner were both unchanged at DM 5.3 and Dkr 29.44 per Bfr 100 and Dkr 100 respectively...

The D-mark was lower at SwFr 84.78 per DM 100 from SwFr 84.88 and the French franc in currency markets yesterday at SwFr 32.765...

THE POUND SPOT AND FORWARD

Table with columns: May 26, Day's spread, Close, One month, % Three months, % Six months. Lists various currencies and their rates.

THE DOLLAR SPOT AND FORWARD

Table with columns: May 26, Day's spread, Close, One month, % Three months, % Six months. Lists various currencies and their rates.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, U.S. dollar, Canadian dollar, etc.

CURRENCY RATES

Table showing currency rates for various countries like Argentina, Brazil, Canada, etc.

OTHER CURRENCIES

Table showing other currencies like Australian dollar, Hong Kong dollar, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for Pound Sterling, U.S. Dollar, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 26)

Table showing FT London Interbank Fixing rates for 3 and 6 months U.S. dollars.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Table showing Euro-currency interest rates for various currencies and terms.

MONEY MARKETS

London rates firmer

UK clearing bank base lending rate 13 per cent (since March 12)

Short-term interest rates were slightly firmer in the London money market yesterday...

In the afternoon an additional £11m bank bills were purchased by the Bank of England...

In New York interest rates were little changed in quiet nervous trading ahead of the announcement of the U.S. trade figures for April...

In the morning the Bank of England forecast a market shortage of £350m...

The authorities bought £45m of bank bills in the morning by way of £12m in band 1 (up to 14 days maturity) at 13 1/2 per cent...

14 days maturity) at 13 1/2 per cent; £285m in band 2 (15-33 days) at 13 per cent...

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In Paris call money was cut for the second consecutive day, falling by another 1/4 per cent to 16 1/2 per cent...

The latest moves follow a steeper trend by the French franc in the European Monetary System...

Call money is now at the lowest level since March 15, when pressure on the franc led to an increase of 2 per cent to 17 per cent.

In Amsterdam interest rates were stable in light trading. The money market had a deficit of £1.54bn quilters on Monday...

This figure is expected to decline towards the end of the month. Facilities provided by the Dutch central bank are expected to be sufficient to cover the present deficit...

Dutch call money was unchanged at 8 1/2 per cent.

EUROCURRENCIES

Swiss rates stay firm

Euro Swiss franc interest rates showed a firmer trend yesterday, and Belgian franc rates also rose...

The Swiss move followed a recent rise in Zurich domestic interest rates, but did not result in any marked change in the value of the Swiss currency against the dollar in spot trading...

On the other hand the franc's premium against the dollar widened in forward trading despite the rise in Euro Swiss rates.

Euro French franc rates fell in line with the easier trend in domestic Paris interest rates. This resulted in a narrowing of the franc's forward discount against the dollar...

Euro D-mark rates were little changed, but the German currency's forward premium against the dollar widened as the D-mark lost ground to the dollar in spot trading.

Eurosterling also showed little movement, but the dollar's forward discount against the pound narrowed slightly.

London Money Rates table showing Sterling, Interbank, Local Authority deposits, etc.

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates...

Approximate selling rates for one month Treasury bills 12 1/2 per cent; two months 12 1/2 per cent; three months 12 1/2 per cent...

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from May 1, 1982. London and Scottish Clearing Bank Rates...

Certificates of Tax Deposit (Section 6) 15 1/2 per cent from May 14. Deposits withdrawn for cash 11 per cent.

UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Abbey Unit Tr. Mgmt. (G) 72-80, Giltspur Street, London EC2A 3JH

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INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., Crown Life Assurance Co., and others.

Table listing insurance and managed funds, including Life Assur. Co. of Pennsylvania, Norwich Union Insurance Group, and others.

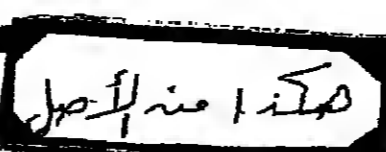
Table listing offshore and overseas managed funds, including Standard Life Assurance Company, Bridge Management Ltd., and others.

Table listing various financial services and funds, including Granville Management Limited, Quest Fund Man. (Jersey) Ltd., and others.

OFFSHORE AND OVERSEAS

NOTES





INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Telecom, and British Gas, with columns for stock price, price change, and volume.

PROPERTY—Continued

Table of property stocks including companies like British Land, Wimpey, and Taylor Woodrow, with columns for stock price, price change, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Venture, British Venture Income, and British Venture Growth, with columns for stock price, price change, and volume.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

Saitama Bank advertisement with logo and contact information for Tokyo, London, and Saitama branches.

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Aerospace, British Leyland, and Rover, with columns for stock price, price change, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International, Newsprint, and Newsprint, with columns for stock price, price change, and volume.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like Newsprint, Newsprint, and Newsprint, with columns for stock price, price change, and volume.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways, British Overseas Airways, and British Overseas Airways, with columns for stock price, price change, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Overseas Airways, British Overseas Airways, and British Overseas Airways, with columns for stock price, price change, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, price change, and volume.

TEXTILES

Table of textile stocks including companies like British Overseas Airways, British Overseas Airways, and British Overseas Airways, with columns for stock price, price change, and volume.

TOBACCO

Table of tobacco stocks including companies like British Overseas Airways, British Overseas Airways, and British Overseas Airways, with columns for stock price, price change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Venture, British Venture Income, and British Venture Growth, with columns for stock price, price change, and volume.

PROPERTY

Table of property stocks including companies like British Land, Wimpey, and Taylor Woodrow, with columns for stock price, price change, and volume.

INSURANCE

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LEISURE

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OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, price change, and volume.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, price change, and volume.

TEAS

Table of tea stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, price change, and volume.

MINES

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal, with columns for stock price, price change, and volume.

REGIONAL MARKETS

Table of regional market data including stock prices and volume for various regions.

OPTIONS

Table of options data including call rates for various stocks and commodities.

Notes and disclaimer text regarding the accuracy of the data and the responsibility of the publisher.

Regional Markets and Options sections providing detailed market data and analysis.

**R T** Property Investment, Development and Construction  
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# FINANCIAL TIMES

Thursday May 27 1982

**Balfour Beatty Builds Better**  
 BB 01-686 8700

## U.S. to sell Israel more F-16s

BY ANATOLE KALETSKY IN WASHINGTON AND DAVID LENNO IN TEL AVIV

THE U.S. intends to sell to Israel an additional 75 advanced F-16 jet fighters costing \$2.5bn over the next three years, Pentagon officials said yesterday.

The Reagan Administration told Congress privately about its intentions on Monday, just before Mr Ariel Sharon, the Israeli Defence Minister, arrived in Washington for talks with the Pentagon and the State Department.

The announcement of the sale came before a speech by Mr Alexander Haig, the Secretary of State, due in Chicago later in the day. He was expected to stress Washington's intention to promote as speedily as possible talks between Israel and Egypt on autonomy for the Palestinians living in Israel, the Sinai having been handed back to Egypt by Israel

last month.

The U.S., the third party to the Camp David peace accord on the Middle East, is thought to be concerned that such talks might be held up by the Israeli refusal to hold them outside Jerusalem.

The addition of 75 new F16s to the 75 similar aircraft Israel received under a deal announced in 1978 is bound to cause concern among its Arab neighbours, since the F-16 is the most advanced fighter of its kind available. An allegation this year that Mr Gaspard Weinberger, the U.S. Defence Secretary, had hinted that Jordan might be allowed to buy F-16s produced a storm of protest from Israel and was rapidly denied by the Reagan Administration.

Israel's objections to sales of advanced arms to Arab states

were among the main topics discussed by Mr Sharon and the U.S. Secretaries of State and Defence on Tuesday. But Mr Haig also spent two hours that day talking to Crown Prince Hassan of Jordan, who stressed the danger Jordan faced from Syria as well as Israel. He is believed to have received a sympathetic hearing.

The sale of F-16s, manufactured by General Dynamics, would indicate that Washington is keen to reassure Jerusalem that its commitment to Israeli security remains unchanged, and that proposed arms sales to Jordan are not intended to lessen Israeli military superiority in the region.

Mr Menachem Begin, the Israeli Prime Minister, recently accused Washington of only paying "lip service" to the issue of maintaining Israel's military

edge over its neighbours, while it was selling advanced weapons to Israel's enemies, including Saudi Arabia and Jordan.

It is understood that Mr Sharon, in his talks with Mr Weinberger, did not raise the memorandum of understanding on strategic co-operation, which Israel and the U.S. signed in November, but which was suspended two weeks later when Israel annexed the Golan Heights. The U.S. has no plans to revive this understanding unless Israel were to raise this issue, according to Government officials in Washington. However, several main components of the understanding, including co-operation between the two countries on arms manufacture and procurement are expected to go ahead.

Swiss to buy Israeli arms, Page 6

## By-election defeat is blow to Haughey

By Brendan Keenan in Dublin

THE prospect of another Irish general election rose sharply yesterday when the Fianna Fail party of Mr Charles Haughey, the Prime Minister, failed to gain the seat in the by-election in Dublin West.

The failure of Mrs Eileen Lemass, a sister-in-law of the Prime Minister, is a serious reverse for Mr Haughey. The vacancy arose through what most people saw as a brilliant move by the PM in persuading Mr Richard Burke, an opposition MP, to become Irish EEC Commissioner.

The victory of Mr Liam Skelly, the opposition Fine Gael candidate, means Mr Haughey's minority Government still needs the support of at least one of the left-wing MPs in the Dail to gain a majority.

The Government is in no immediate danger but, with another tough Budget probable in January, Mr Haughey must be considering the possibility of trying to capitalise on opposition disarray by calling an early election.

However, none of the parties wants to go to the country again, and it is quite possible that the result in any case would be yet another hung Dail.

The by-election result was a boost for Dr Garret FitzGerald, the Opposition leader, who, in spite of the humiliating circumstances of his government's fall in January, is clearly still riding high with the electorate.

He described the result as a "damning indictment of the Government after such a short term in office. Mr Haughey, however, said the position was just as it had been after the general election.

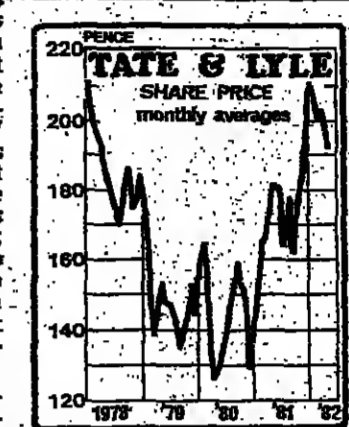
● The by-election was the first test for Mr Haughey's stance on the Falklands crisis.

The issue appears to have played only a minor part in swaying voters but some politicians thought it could have counted against the Government in some vital sections of the constituency.

## THE LEX COLUMN

# No time for a CCA schism

Index unchanged 580.8



Practised theologians understand well that the truth can be controversial, and the Institute of Chartered Accountants is nothing if not a religious body. Yesterday, the high priests of its council were out in force in an attempt to scotch the Sussex heresy—the resolution put down by the Keymer/Haslam partnership of Burgess Hill declaring that the current cost standard, SSAP 16, is the work of the devil. The attack is certainly being taken seriously; the overthrow of SSAP 16, the fruit of 15 years of attempts to measure the impact of inflation on businesses, would be a great blow for the accounting establishment.

Keymer and Haslam are motivated by a dislike for mandatory standards in general as well as SSAP 16 in particular—which, since it applies only to the top 5,500 companies, cannot be the only topic of conversation at the Burgess Hill golf club. They also seem to hold the conviction that stock gains are genuine profits.

ICA members deciding how to cast their proxy votes on the resolution are bound to be struck by the ill-assorted nature of the opponents of SSAP 16. There are many small firms of auditors, naturally fearful that the standard will be extended to encompass a larger slice of the corporate sector.

There is a sprinkling of flat-earth company chairmen (salary £90,000, arms an ostrich ensemble, motto "A pound is a pound"). There are more sophisticated—or more mischievous—opponents who argue that although they have applied CCA principles in management accounts for years, there is no need to audit and publish figures until the Revenue adopts them for tax purposes.

The Revenue is supposed to look at figures on which the accounting profession cannot agree is not clear. Then there are companies such as P & O, which are not against CCA in principle but would prefer not to apply it to their own volatile asset base. And of course there are the merchant banks, who have been dying for the right to publish worthless accounts since Waterloo.

More serious objections to CCA accounts concern their undoubted subjectivity. But subjective property valuations have been propping up the historic cost reserves of half the corporate sector for years, and besides, subjectivity is preferable to false objectivity. There again, CCA accounts are expensive in terms of management

time and—initially—in terms of audit fees; the introduction of the standard was perhaps unfortunately timed, since corporate time and money have been scarce in the last two years.

The job of the accountancy profession is to sort out the imperfections of SSAP 16 after its three-year trial period and come up with the fairest and most workable long-term standard. As the ICA Council put it yesterday: "No responsible self-regulating profession should contemplate the option of returning to the historical cost basis of reporting alone." Just so.

### Tate & Lyle

Tate & Lyle's profits for the six months to March are little changed at £15.0m pre-tax, against £14.4m (restated) end year exchange rate. But the mix of earnings is very different: up in the UK and Europe, and under high—and increasing—pressure in North America.

The UK sugar refineries are performing well, now that Liverpool is closed and the European starch associates are looking much healthier. But in Canada, Redpath's sugar and building businesses are way down, and the Zymase Joint venture in high fructose corn syrup is losing quite a lot of money—maybe £3m; after interest in T & L's interim accounts, some of which comes back in as a minority credit.

Zymase has suffered not only from plant teething troubles and very high operational gearings but from the difficulty of competing against the very low world sugar price. Plunging sugar values have recently brought import quotas into the U.S. market, and T & L's

Yonkers refinery, which mostly processes imported raws, could be badly hit in 1982-83.

Elsewhere, commodity trading must be quietening down in a thin market, but last year's figures were hit by a large bad debt. For the year as a whole, T & L may now show only modest growth over last year's £34m figure before tax and capital issues. But things will look better, thanks to the Zymase minority, at the attributable level, and there may be scope for a small dividend increase. At 192p the shares yield 8½ per cent.

### Saatchi

Shareholders in Saatchi & Saatchi vote today on the company's proposed one-for-one rights issue and on the acquisition of Compton Communications, the U.S. advertising agency, which the new money will finance.

Even on doubled equity capital, Saatchi's earnings per share should benefit from the Compton purchase this year but the deal is bound to knock some of the glamour of the Saatchi rating. Compton has a staid, if solid, image and its operating margins have fallen in each of the past five years. At 1 per cent, they are now roughly half the U.S. industry average.

Saatchi believes that it can recover at least half a percentage point of this, worth maybe \$34m in a full year, through tighter cost control, particularly outside the U.S., and the automatic run-off of various acquisition and start-up expenses from Compton's revenue account. Saatchi has devised a management incentive scheme, incorporated into the purchase terms, which may push margins towards the industry average.

Compton will apparently be run as an autonomous unit but shareholders may still be concerned about the possibility of management dilution. Saatchi has grown at a headlong pace over the past 10 years, took over the Dorland agency only last year, and is now swallowing a U.S. company twice its own size in terms of billings.

If Saatchi gets the formula right—and it has bright ideas about international strategy—shareholders will have no cause to complain about the £26m cash call. But advertising agencies have been known to fall as fast as they rose and the theoretical ex-rights price of 36p implies a good deal of faith in the durability of the Saatchi fair. On 1982-83 profits of £9m pre-tax, the fully-taxed multiple is over 13.

## W. German N-reactor plan near collapse

By Kevin Done in Frankfurt

WEST GERMANY'S ambitious development programme for a high-temperature, gas-cooled, nuclear reactor is near financial collapse.

The reactor is one of two advanced prototype reactors in West Germany, largely funded by the federal Government.

Herr Andreas von Bulow, the Research Minister, yesterday informed the Cabinet in Bonn that there was little chance of saving the high-temperature reactor development programme.

The programme, undertaken in the early 1970s to give West Germany cheaper nuclear energy than that supplied by existing nuclear reactors, has been subject to long delays and rapidly-rising costs.

The Research Ministry said of the high-temperature prototype yesterday: "The project is very seriously endangered. There is very little hope."

At the centre of the problem is the need to raise another DM 1.1bn (£261m) to develop the 300 Mw reactor. About DM 1.7bn has already been spent on the project. The cost of abandoning construction is put at DM 2bn. The project is being built at Schmehausen, near Dortmund, by a consortium led by Brown Boveri.

West German utilities, in financial stress due to a fall in national energy use, have been reluctant to take part.

The Cabinet has given the Research Ministry a week to come up with a timetable for further talks with industry. The project has a deadline of June 30, by which time funds will have run out.

A halt to construction would be a blow to development of new nuclear technology in West Germany. The country has been pursuing two lines of reactor development: the high-temperature and the fast-breeder. The prototype of the latter is under construction at Kalkar.

The fast-breeder project was saved only recently from collapse, when the electricity supply industry agreed to inject an extra DM 1bn in the scheme to cover extra costs.

The high-temperature reactor has had no such financial help from the private sector. Latest estimates suggest it will cost at least another DM 4.1bn to finish, with construction likely to last a further 37-40 months.

Previous best estimates had put the costs at DM 2bn, of which DM 1.7bn was coming from the Federal Government. DM 300m from the state of North-Rhine Westphalia, DM 510m in state-guaranteed loans, DM 130m from the builders, DM 90m from the operators (led by VEW of Dortmund) and DM 270m in investment grants.

## Monopolies Commission calls for halt to car part sales system

BY JOHN GRIFFITHS

THE EXCLUSIVE franchise system for selling replacement car parts in the UK is against the public interest and should be halted, the Monopolies and Mergers Commission said yesterday.

In an 86-page report prepared over the past 18 months, it concluded that the system—under which dealers can buy spares only from the manufacturers from whom they hold their franchises:

- Unjustifiably restricted the extent to which component makers could compete with each other and with car makers and importers;
- Led to higher prices than necessary through restricting competition;
- Prejudiced the level of service from which the franchised sector of the market could benefit;
- Restricted competition among motor factors, which if removed could have price benefits in the replacement parts market.

It found a complex monopoly existed involving 22 car manufacturers who together supplied at least a quarter of UK replacement car parts. All the volume manufacturers and the majority of importers are implicated.

The franchise system accounts for nearly 40 per cent of replacement part sales in the UK, which are said to have been worth a total of £1.48bn in 1980. The report is likely to be welcomed by the UK components industry, which has suffered both from a decline in UK car production and the growth of imports to the point where they now account for more than 55 per cent of new cars sold.

Manufacturers and importers put up a wide array of arguments in favour of maintaining exclusive supply arrangements. They said that to end them would risk opening up the market to sub-standard components. In addition, they claim that to allow outside suppliers to tap the profitable market for fast-moving spares while the car companies were required also to provide unprofitable slow-moving parts was unfair and could lead to increased prices.

The Commission concluded, however, that these arguments were mostly invalid. More than half of car spares were still sold outside the franchised sector, and it had no reason to believe that vehicle safety had been seriously prejudiced to date.

In the case of slow-moving spares, competitive commercial pressures would require car companies to maintain adequate stocks.

It will be up to the Director General of Fair Trading to implement the report's conclusions and recommendations.

Component-makers are likely to press for early action, but the process may take some months and will involve further negotiations with manufacturers, whose dealer agreements would have to be partially rewritten. As a last resort, the Trade Secretary could enforce the recommendations.

The report was being studied closely by the industry last night. The Society of Motor Manufacturers and Traders said it was too early to comment on the findings. Ford expressed concern at the conclusions but said that "we cannot prejudice what action we might take."

Continued from Page 1

## Task force losses mount

warships, including the aircraft carrier Hermes.

Mr Nott told the Commons yesterday that there had been "a great increase in military activity" in the last 24 hours. But the details he, and later the Defence Ministry, released, appeared to relate to engagements which had taken place on Tuesday or before.

The only comment Mr Nott made about activities in the South Atlantic yesterday was to note that the blockade of the Falklands was being maintained by the task force.

He referred, however, to renewed bombing attacks by British Harriers on Port Stanley airport, and it was not immediately clear last night whether the reports of the latter were referred to Tuesday's raids on the same target.

Mr Nott confirmed that reinforcement warships were already with the force and for the first time gave a figure. He said that ten had arrived in the last few days, but did not name them.

He repeated that the task force now comprised about 100 ships and 25,000 "men and women". He did not give details but there are also believed to be about 20 Royal Fleet Auxiliary vessels and some 50-60 commercial merchant vessels, including tankers.

Mr Nott also confirmed that two Royal Fleet Auxiliary support vessels had been damaged at the weekend but said that five other supply ships had safely left the Port San Carlos area and the British bridgehead there during Tuesday night.

Mr Nott put a brave face on

yesterday's losses. While deeply regretting the loss of life and the loss of the ships, he said the task force's objective remained to repossess the Falkland Islands for democracy.

The objective was still Port Stanley, and the only casualties must be expected, Mr Nott added.

However, the losses appear once again to highlight a key weakness in the present composition of the task force—its failure to establish, in the face of much greater Argentine numbers, air superiority over the Falklands.

Without such superiority, a land attack on Port Stanley could be difficult. In the view of some experts last night, many of the air attacks might have been avoided if the force had been given warning of the Argentine air attacks when the aircraft left their bases in Argentina several hundred miles away.

However, Britain has no aircraft capable of providing this type of early warning since its specially equipped Nimrods will not be in service until next year. Those Nimrods currently based on Ascension Island are capable of maritime reconnaissance only.

Jimmy Burns reports from Buenos Aires: The Argentine military believes that Tuesday's successful attack on British troops occurred because the Argentine Air Force is managing to get through British radar and missile systems and any significant air cover that can be provided by British Harrier jets.

Argentine military officials believe that the cover provided by hills around San Carlos Bay is helping the air force to circumvent British radar.

Argentine aircraft are also apparently attacking British ships by sweeping in at a very low level above the water and then banking to discharge their fire power at the last second.

Air Force officials point out in addition that much of the damage inflicted so far has been in poor visibility which, according to one officer, would have made an attack "inconceivable" in the opinion of most air forces.

This optimism, however, is tempered by concern over the losses being suffered by the Argentine Air Force. Officials have admitted publicly to the loss of 17 aircraft, but independent military observers in Buenos Aires believe the number lost is probably double this number, and less than the figure put out by the British Ministry of Defence.

Argentine military officials privately admit that Argentine cannot sustain her war effort at present levels for very much longer, and that she will soon be forced to seek outside assistance to bolster her counter-offensive. However, there is confidence that Argentina will get the assistance she wants.

The Argentine Chief of Staff, speaking of the attack on the Atlantic Conveyor, said the British ship was sailing 150 miles north of the main bulk of the task force, and was carrying "indeterminate numbers" of Sea Harrier jets.

## Cut-price ferry for Isle of Man

MOTORISTS TAKING early season holidays by Sealink to the Isle of Man will get a return car journey for the price of a single if they travel outwards from the island between June 10 and July 9.

The usual Sealink fare for cars is £30 single — £35 for Fridays and Saturdays — from May 28 to September 18.

The deal is part of a comprehensive range of special offers and packages available using Sealink's Isle of Man service. Mr George Hullah, Sealink's commercial manager, said: "This offer will encourage holidaymakers to take an early break when accommodation is less heavily booked and the island is at its best."

## Weather

**UK TODAY**  
 SUNNY periods after early fog or rain.  
 S. E. Central England  
 Rain first becoming brighter and dry. Max. 21C (70F).  
 Rest of England, Wales, S.W., E. Central Scotland  
 Early fog, sunny periods. Max. 17C (63F).  
 Rest of Scotland, N. Ireland  
 Sunny intervals, showers. Max. 16C (61F).  
 Outlook: Becoming warmer, mostly dry except in N.W.

## WORLDWIDE

	Y day	Y day		Y day	Y day
	midday	midday		midday	midday
	°C	°F		°C	°F
Alicante	22	72	London	15	59
Algiers	26	79	Lyons	12	54
Amsterdam	18	64	Madrid	19	66
Athens	24	75	Manchester	12	54
Bari	22	72	Milan	15	59
Berlin	14	57	Naples	17	63
Bombay	28	82	Norwich	11	52
Buenos Aires	18	64	Oporto	17	63
Calcutta	28	82	Paris	14	57
Canton	22	72	Rome	18	64
Cebu	28	82	Saigon	24	75
Colon	24	75	Seoul	12	54
Dacca	28	82	Shanghai	18	64
Dahomey	24	75	Singapore	28	82
Darwin	24	75	Sydney	18	64
Delhi	28	82	Taipei	22	72
Dhaka	28	82	Tokyo	18	64
Dublin	14	57	Winnipeg	12	54
Hankow	22	72	Zurich	15	59
Hong Kong	28	82			
Kobe	18	64			
London	15	59			
Lyons	12	54			
Madrid	19	66			
Manchester	12	54			
Milan	15	59			
Naples	17	63			
Norwich	11	52			
Oporto	17	63			
Paris	14	57			
Rome	18	64			
Saigon	24	75			
Seoul	12	54			
Shanghai	18	64			
Singapore	28	82			
Sydney	18	64			
Taipei	22	72			
Tokyo	18	64			
Winnipeg	12	54			
Zurich	15	59			

## BTH management set to propose buyout

BY RAY MAUGHAN

THE MANAGEMENT of British Transport Hotels, a subsidiary of British Rail, wants to buy all or part of the company's 23 hotels, one of the largest hotel chains in the country.

A management team headed by Mr Peter Land, managing director of BTH, and advised by Kelsworth Benson, the City merchant bank, is to send proposals to the BR board.

BTH, which has a total of 3,010 bedrooms, was valued earlier this year at about £50m. However, Mr John Tee, the finance director of the hotel subsidiary and a member of the small team attempting the buyout, stressed yesterday that many of the hotels were

integral parts of major BR stations, that there were problems of tenure and that several hotels were held on leasehold.

Kelsworth Benson indicated the management was considering the purchase of about a dozen hotels, which would have a value of about £30m.

BTH is controlled by British Rail Investments which was set up last year with the collaboration of the Trade Department in an attempt to introduce private sector funds into BR's peripheral activities.

The BR board, headed by Sir Peter Parker, has said that with this aim in mind a range of options is being considered. It is likely that BTH, however,

will be sold either to its management or to another, separate, private concern.

No final decision on privatisation has been made and BR was stressing yesterday that any judgement would be affected by the board's financial forecasts this year. These are heavily dependent on the outcome of tomorrow's meeting with the Railway Staffs' National Council which will consider pay and flexible rostering.

British Rail is expected to show a deficit of £165m this year.

The management of BTH expects British Rail to continue with the disposal programme.

The Gleneagles chain of BTH hotels has already been sold.

Kleinwort Benson is preparing to start sounding out support in the City for a buy-out.

The success of the approach will then depend on how its proposals and, especially the projected payment, stands up against competing bids.

Mr Tee said that BTH had been starved of capital for quite understandable reasons. But given commercial freedom and realistic investment the hotels could be run profitably.

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